



China-Africa

New **T**ypes of Exchange,
Cultural **I**dentity &
Emerging **R**elations
in a Globalized **W**orld

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New Types of Exchange Cultural Identity and Emerging Relations in a Globalized World

edited by

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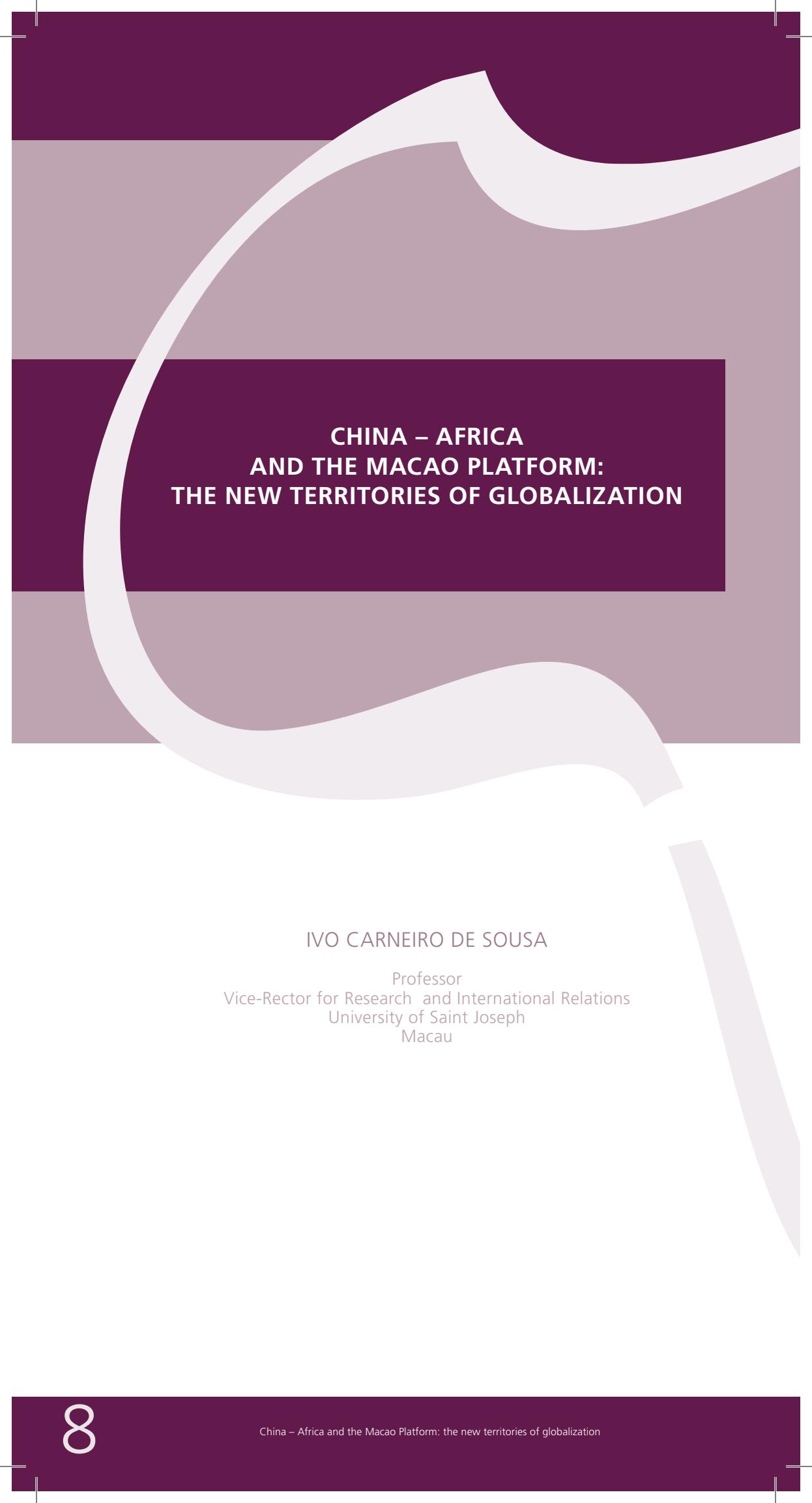
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This book publishes the proceedings of the international conference "China-Africa: New Types of Exchange, Cultural Identity and Emerging Relations in a Globalized World" organized by the University of St. Joseph's Center for African Research and Development Studies (CARDS) in Macao on 24-25 May 2010. The conference and this book are the first academic outcomes from a range of projects and events planned for coming years by the Center for African Research and Development Studies as it investigates the increasingly important relationships between Africa and China within the context of the new territories, scales and challenges of the process of globalization.

The editors are especially thankful to the 16 authors of the different papers gather for this original publication. They were able to share and express their own academic and critic perspectives on China-Africa new relations from different scientific domains and research problematic. We are also particularly grateful to Professor Richard Whittfield and Felisita Morais for the scientific revision and proofreading of some of the book's papers as well as to Filipe Bragança and Bárbara Bruxo for the beautiful and professional design of this publication.

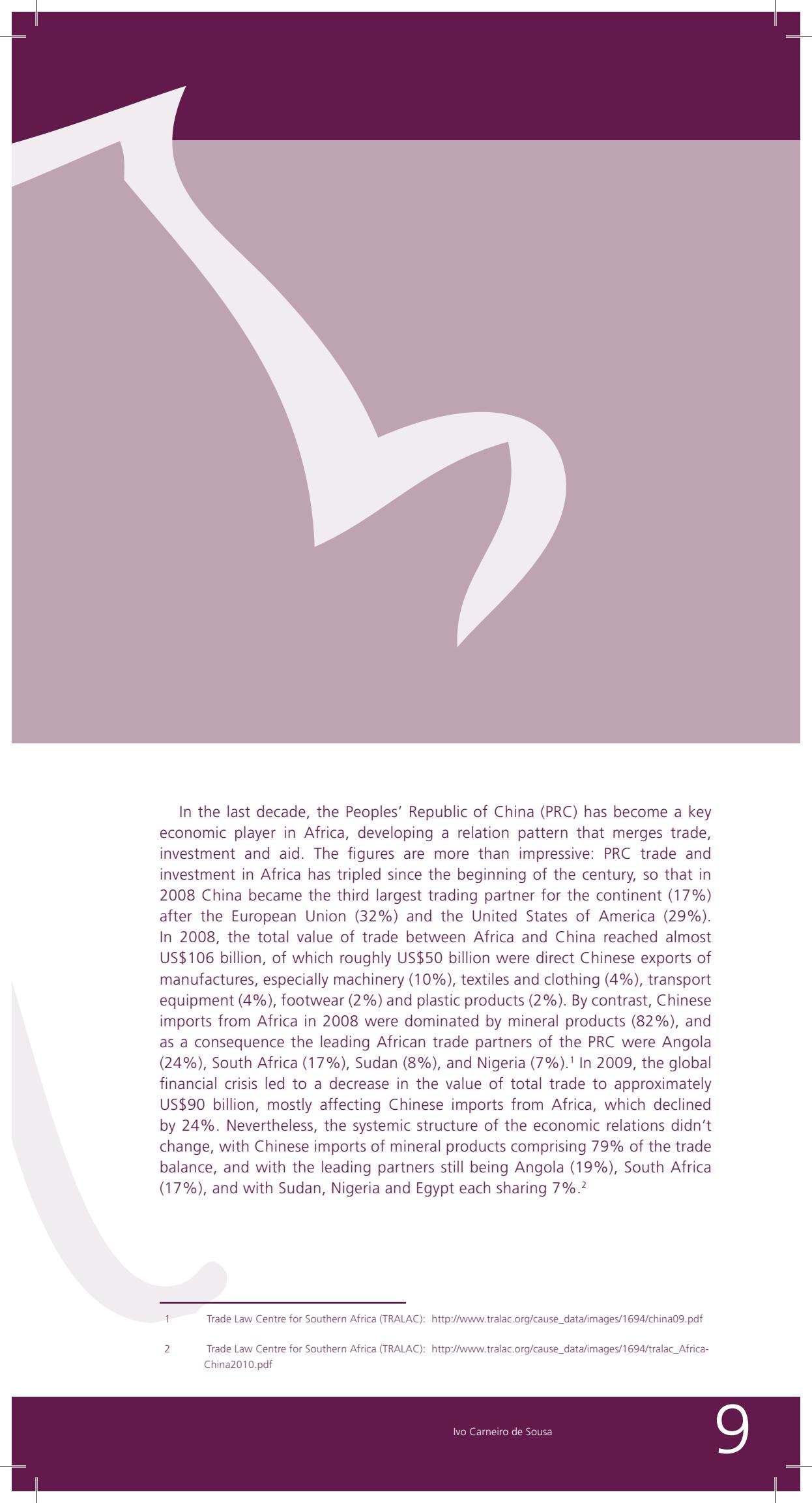
Ivo Carneiro de Sousa, Ansoumane Douty Diakite & Ojo Olukayode Iwaloye.



CHINA – AFRICA AND THE MACAO PLATFORM: THE NEW TERRITORIES OF GLOBALIZATION

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In the last decade, the Peoples' Republic of China (PRC) has become a key economic player in Africa, developing a relation pattern that merges trade, investment and aid. The figures are more than impressive: PRC trade and investment in Africa has tripled since the beginning of the century, so that in 2008 China became the third largest trading partner for the continent (17%) after the European Union (32%) and the United States of America (29%). In 2008, the total value of trade between Africa and China reached almost US\$106 billion, of which roughly US\$50 billion were direct Chinese exports of manufactures, especially machinery (10%), textiles and clothing (4%), transport equipment (4%), footwear (2%) and plastic products (2%). By contrast, Chinese imports from Africa in 2008 were dominated by mineral products (82%), and as a consequence the leading African trade partners of the PRC were Angola (24%), South Africa (17%), Sudan (8%), and Nigeria (7%).¹ In 2009, the global financial crisis led to a decrease in the value of total trade to approximately US\$90 billion, mostly affecting Chinese imports from Africa, which declined by 24%. Nevertheless, the systemic structure of the economic relations didn't change, with Chinese imports of mineral products comprising 79% of the trade balance, and with the leading partners still being Angola (19%), South Africa (17%), and with Sudan, Nigeria and Egypt each sharing 7%.²

1 Trade Law Centre for Southern Africa (TRALAC): http://www.tralac.org/cause_data/images/1694/china09.pdf

2 Trade Law Centre for Southern Africa (TRALAC): http://www.tralac.org/cause_data/images/1694/tralac_Africa-China2010.pdf

Despite small variations in the statistics obtained from different official and private sources, it seems clear that from 1995 onwards a growing China-Africa trade and investment partnership has arisen, and this has been stimulated by the PRC's 2001 entry in the WTO, and even more through the creation of the Forum on China-Africa cooperation (FOCAC) in 2000. The third FOCAC summit in Beijing in 2006 gathered together 48 African leaders with the PRC leadership and was able to clarify a partnership process based on political, economic, education, science, health, social, peace and security cooperation. The summit also yielded promises of Chinese aid investment of more than US\$6 billion, although 5 billion was tied to payments for projects to be done by (mainly state-owned) Chinese companies trading in Africa. Parallel to these efforts, the PRC continued its ongoing generous policy of debt reduction for 31 African countries, totaling US\$1.3 billion. The final declaration adopted by the third FOCAC summit, as read out by the Chinese President Hu Jintao, the Ethiopian Prime Minister Meles Zenawi and the Egyptian President Mohammed Hosni Mubarak, stressed the strategic importance of a China-Africa partnership based on "political equality and mutual trust, economic win-win cooperation and cultural exchanges"¹.

Irrespective of the scale of these trade and aid figures, the structure of China-Africa economic and political relations in the last decade seems to be stable and pragmatic. Chinese investment and trade in Africa is primarily driven by resource concerns regarding oil, minerals and timber, but at a secondary level is already spreading into other economic fields, namely agriculture, construction, pharmaceuticals, retail trade, and more recently, tourism. It is anticipated that these secondary fields are going to develop and diversify at a very fast pace in coming years.

Although Angola, South Africa, Nigeria, Sudan and Egypt accounted for 56% of China's trade with Africa in 2009, Chinese economic interests are present in all 53 African states, including (on a smaller scale) the four countries still recognizing Taiwan. This Chinese pattern of foreign trade, investment and aid in Africa is completely different from the USA and EU cooperation and trade models, which are framed by clear political demands and sustainability agendas or, in the latter case, are deeply rooted in European nation-states' interests derived from their former colonial ties. By contrast, the structure of China-Africa economic relations is supported and enhanced by the very debatable pragmatic strategy of not adding any political strings to its trade and investment policies within the framework of a general external soft power strategy (Kurlantzic, 2007; Li, 2009). In this domain – and only in this very strategic domain – the PRC economic move towards Africa claims a historical continuity rooted in Chinese policy and diplomacy that, since the famous Bandung conference of 1955 that brought together for the first time 29 Asian and African nations, has tried to fight any hegemonic foreign power presence in Africa. It explicitly accepts African nation-states sovereignty regardless of their deviations from common international and human rights values (Taylor, 2006, p.3-15).

Without attaching any political strings to trade, investment and aid, the new Chinese presence in Africa has generally been optimistically welcomed by African leaders, irrespective of the huge economic asymmetries on the two regions relations. In fact, although PRC imports represent almost one-fifth of Africa's global exports, this trade only accounts for some 1.6-2% of worldwide Chinese imports. Needless to say, foreign direct investment by African companies

¹ <http://www.china.org.cn/english/features/focac/187798.htm>

in the PRC is negligible, except for the large number of small African trading firms that have settled in China, and especially in the Pearl River Delta region, to intermediate direct export of cheap Chinese manufactures to most parts of Africa.

Nevertheless, these economic asymmetries between the two regions are already changing and will reach new economic patterns in the near future: the PRC has now impressively modernized industries and a paramount global export capacity along with a growing middle and upper class with rising incomes and increased purchasing power both at home and abroad. This, still sparsely researched, major socio-economic change is already affecting the mix of PRC imports from African countries, adding to the structural demand for natural resources a need for other agricultural commodities and foodstuffs, manufactured products, household consumer goods, and a genuine demand to experience Africa's cinematically famous "exotic" natural and human environments.

At the same time, Africa is a continent with a large youth bias in its demographic age profile and thus has a potential capacity to feed global labor markets and transnational migratory movements over coming decades. Moreover, the African total population is going to surpass the PRC population by around 2030, which will mark a major demographic shift enhancing Africa's key role in the global division of labor and potential economic trends for exporting nontraditional natural and extractive goods, manufactures and services competitively to the global economy, including to China's rapidly growing domestic market. From this perspective, the new China-Africa economic, trade and aid relations are not an evil threat or the neo-colonial exploitation of an old, but newly awakened, imperial dragon as it is recurrently portrayed by some Western publications (Brautigam, 2009, p.12-13), but it is rather another long term opportunity and challenge for Africa, its economies, societies, political systems and ruling elites. The PRC economic approach to Africa of connecting trade, investment, aid and migration stands as another major challenge to African nation-building systems, neo-patrimonial governments, weak institutions, and the rule of law, including trade and investment legal codes. Simultaneously, it is going to challenge many historical African social dysfunctions, from unequal trade balances to labor skills, and from rampant corruption to political instability.

This new African economic reality and its contradictory interpretations were the framework and starting point for the international conference on "China-Africa: New Types of Exchange, Cultural Identity and Emerging Relations in a Globalized World" organized by the Center for African Research and Development Studies (CARDS) of the University of St. Joseph last year, and held in Macao on Africa Day, 24-25 May 2010. The conference proceedings, which are here transformed into an academic book, proposed a long term research agenda centered in the new China-Africa relations that addresses the themes of trade and investment, development assistance, food security, human rights, foreign policy and diplomacy, cultural and intellectual exchange, environmental issues, conflict resolution, gender, youth and children's themes, without neglecting the study of overseas Chinese and African communities that are historically well represented in Macao. This is a wide research agenda to guide not only one single conference but a set of academic meetings and publications that CARDS will organize over coming years. The subtitles of the conference were carefully selected, emphasizing the word new as in *new types of exchange*, and the key concept of emergence as in *emerging relations*, and the need to address deeply cultural and civilizational structures while stressing the process of globalization(s)

as the main systemic framework for serious academic research on China-Africa contemporary relations. It is clear that from an epistemological perspective, figures, statistics, events, successes and criticisms of the complementarities of the China-Africa investment-trade-aid pattern represent a process. It is truly a new process: a new economic, political and even cultural process changing the very objects and subjects of these new Sino-African links that have been growing so rapidly in the last decade. Moreover, this is a process that cannot be understood without a new theorization of globalization and the emergent role of China in the different territories, scales and opportunities opened up by the modern process of globalization since the late 1980s (SOUSA, 2004, p.92-96).

It is evident nowadays that traditional definitions of globalization as the inexorable integration of capitals, markets and communications facilitating world economic and financial movements, developing investments, multinational companies, technologies, legal systems, infra-structures and global institutions (Eichengreen, 1996, p. 19) is, at least, incomplete if not scientifically wrong. As with any incomplete description of a complex process, globalization cannot be researched as a dichotomous set of asymmetric advantages and disadvantages, with the latter spawning countless private and public demonstrations criticizing the progressive globalization of terrorisms and of many forms of international crime; the exponential growth of clandestine emigration; the deepening of poverty and un-employment in the “peripheries” of the industrialized world; the continued erosion of national sovereignties; a more uniform global multiculturalism competing to diminish cultural diversity, increasing the loss of languages, dialects and “traditional” cultures (Bhagwati, 2004, p. 57). Self-evidently, nowadays, the process of globalization is much more than a simplistic notion of the growing general interdependence of the world – a very old historical trend – and the formation of new global institutions that are changing ideas of nation-states and national sovereignty. Problematic as it may be, the evidence now shows that the process of globalization simultaneously transcends the exclusive framing of national states, yet partly inhabits national territories and institutions, including sub-national and even local scales (Sassen, 2007, p.43).

The nation-state as a container of social and political processes continues to frame most social sciences discourse, even when it is not helpful in elucidating a great number of questions about globalization and a large array of transnational processes, albeit the evident singular intermediation with which nation-states dominate the institutional connections between local-national and global territories. Thus, methods and conceptual frameworks that rest on the assumption that the nation-state is a closed unit and that the state has exclusive authority over its territory cannot fully accommodate new critical thinking: the fact that a process or an entity is located within the territory of a sovereign state does not necessarily mean it is national, since it might be also a localization of the global. There is, therefore, an urgent need to research the presence of globalizing dynamics in dense social environments associating national, sub-national, local, non-national, and transnational scales.

In fact, the dominant form of globalization – the global corporate economy and its global financial and physical flows – is only one of several processes involving complex globalization linkages and dynamics from the local to global scales. One set of dynamic links generates the formation of explicitly global processes from institutions, such as the WTO or the International War Crimes Tribunals, to global financial markets are partly enacted at the national scale, but are mainly global formations. Nowadays these can even include some very-

large scale Internet based conversations or global digitized outsourcing. But there are several other dynamic processes that do not necessarily scale at the global level, and yet are part of globalization, such as cross-border networks of human rights and environmental organizations of activists engaged in specific localized struggles with an explicit or implicit global agenda; particular aspects of the work of states, for example the implementation of certain global monetary and fiscal policies in a growing number of countries; and the fact that national courts are now using international instruments – whether human rights, international environment standards, WTO regulations, IMF adjustment economic policies, etc. – to address issues where they would have previously used national instruments. At the same time, local and sub-national scales, such as the case of global towns, are able to generate global dynamics and processes contributing to a new cosmopolitanism (Sassen, 2007, p.238-240). The traditional theories of globalization that have been studied since the 1990s are not enough to map today's multitude of practices and actors contributing to a rescaling of transnational and global processes that are clearly multi-scalar, open, dynamic and unpredictable – to use an increasingly popular concept, they are complex.

It is now evident that a financial center in a global city, for example, is a local entity that can also be part of a globally scaled electronic market. A local terrorist network hidden in the mountains between Afghanistan and Pakistan can be a global entity with transnational impact. A micro-finance company settled in a small village can have a global impact through a well managed global web of business connections (Sassen, 2007, p.199). Global cities, like Shanghai, although under nation-state control, are sub-national places in which multiple global circuits intersect and thereby position these cities in several structured transnational economic and trade networks. Moreover, the worldwide spread and democratization of new interactive technologies is repositioning the local, being able to transform resource-poor organizations, households, localized businesses and traditional jobs, from fisherman to village farmer, into transnational and global sellers. These micro-economic scales can be oriented to other micro-environments located far away, thereby destabilizing the notion of context which is so often associated with the local. There are many different scales, territories, processes and emergent opportunities under what we normally label globalization, so that it is becoming a complex dynamic multipolar process, very far from previous Western driven descriptions of a process leading to a "macdonaldization" of the world.

By contrast, the different territories, scales and opportunities of the process of globalization mobilize powerful roles of national, sub-national and local domains that are also responsible for highlighting one of the formerly unthinkable new features of globalization: national societies and local communities are now invaded by the most diverse customs and many different beliefs, habits, and cultural values from all round the world. This contradicts the concerns of many critics of globalization that the process would lead inexorably to greater level of cultural homogenization. Despite many of the concerns of those fearful of the proliferation of Western cultural normative expressions, the effect of the processes of globalization on non-Western societies has often been dramatically overstated. The globalization of the calendar, for example, shows that we are not only globally celebrating Western holidays and festivals such as Valentine's Day, Halloween or the Christian Christmas, but also the Chinese New Year which in 2010 was commemorated in more than 80 countries and their most important cities. Moreover, the countless websites supporting cultural minorities, restoring

endangered dialects, linking diasporas and rebuilding cultural identities are taking clear advantage of a localization of the process of globalization that is becoming increasingly engaged with expressing cultural diversity through a global trans-cultural interconnectivity.

If China is taking advantage of all the different scales of globalization, Macao is an eloquent case in which a local and sub-national city can benefit from the dynamic processes of globalization. Macao's very fast economic growth has a global meaning since this special administrative region of the PRC was able to capture a leading position in the very globalized gambling market. But this does not explain the role that Macao can play in the future of China-Africa studies. In contrast with the recent Chinese presence in Africa, even if we go back to Zhou Enlai's efforts to consolidate relationships with key North African nations in the early 1960s, Macao has a long term historical connection with the African continent. In fact, ever since the 1555-57 establishment of a Portuguese trade settlement in the Macao Peninsula, African slaves were regularly brought to the enclave as a labor force, mercenaries and sailors. These African slaves were instrumental in defeating the 1622 attempt by the Dutch to conquer Macao and were still the main military force in the enclave until the famous "1,2,3" riots against the Portuguese colonial government in 1966-67. African associations and houses, mainly from Portuguese-speaking countries are still very active in the Macao social and cultural landscape, and the special administrative region is receiving increasing numbers of African students, as in the case of the University of Saint Joseph. At the same time, in 2003, the PRC central government created the Forum for China-Portuguese speaking countries trade and economic relations in Macao. This organization is hosting diplomatic representatives from Africa, namely from Angola, Mozambique, Guinea-Bissau and Cape Verde. Therefore, Macau has the historical, cultural and economic conditions to become a key platform between China and Africa able to gather research and to host major international conferences. Indeed, if the last FOCAC meeting had been hosted in Macao it is unlikely that the streets would have been lined with 30-foot-high posters of giraffes, elephants and other images of wildest Africa along with repeated huge pictures of a feathered tribesman from Papua New Guinea, a cultural incongruence that actually occurred at the last meeting in Beijing. Nonetheless, generously hosted by the Chinese premier, Wen Jiabao, and the Chinese president, Hu Jintao, this political faux pas does not seem to have bothered the 48 African leaders whom in the last years received from the generous Chinese aid tens of new parliament and governmental buildings, presidential palaces, hospitals and sports stadiums build up very fast by Chinese construction companies using thousands of Chinese workers (Alden, 2008, p.1-3).

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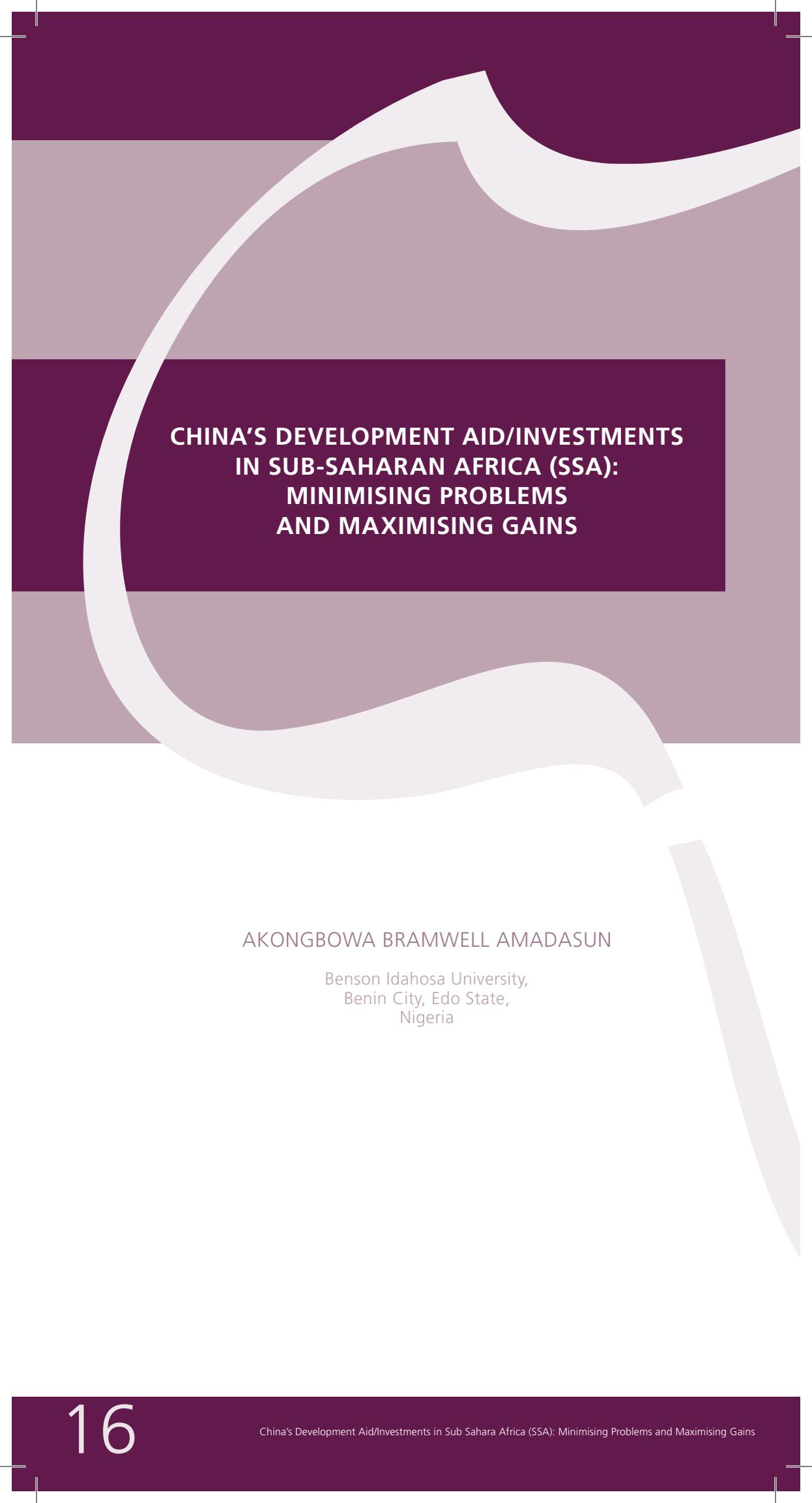
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CHINA'S DEVELOPMENT AID/INVESTMENTS IN SUB-SAHARAN AFRICA (SSA): MINIMISING PROBLEMS AND MAXIMISING GAINS

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ABSTRACT

The focus of the paper is how to maximally scale down the problems and scale up the gains associated with the surge in China's huge aids/investments in Sub-Saharan Africa. In discussing the issue the paper examined several variables or issues associated with increased China's aid/investments to the Sub-Saharan Africa (SSA), adopting the questioning approach for a substantial length of the paper and for a substantial number of issues. Essentially the paper did an overview of China's huge aid/investments in SSA in the last three decade. Some of the other core issues which the paper examined include: (1) constraints on aids/investments effectiveness associated with the problems of absorptive capacity, where key issues such as macroeconomic, institutional, policy oriented and managerial problems where discussed; (2) Implications of increased development aid/investments in the midst of western and Breton woods institutions imposed structural adjustments; (3) China's aid/investments governance challenges and opportunities. In addition it examined these huge Chinese aid/investments within the context of New Economics Partnership for Africa's Development (NEPAD) and the New Millennium Development Goals. In this same context it also examined the ramifications of Euro-America development cooperation. Consequent issues such as China's economic and political interest in the SSA, China Africa Strategy and China as a vehicle for Africa's economic development where examined. Finally viewed from the long term perspective the paper provided some agenda for action and policy prescriptions; including the call for a complex balancing of China's aid/investments problems and gains in the SSA within the context of Euro-America competition with China in the SSA

INTRODUCTION

The growing aid/investment relations between the SSA and Asia can be traced mainly to two countries activities, namely China and India, particularly China whose presence is seriously displacing the previous hegemonic industrialized North (to be specific the United States and the European Union), the traditional trade and economic actors in the region. Asia as represented by Japan, Taiwan, Indonesia, Malaysia, India and China has made huge investments in the SSA. However, China deserve special mention in terms of significant industrial investments and development aid potentials in the region that is capable of assuring Asia's continued investments or economic relationship with the SSA and/or provide the framework for a robust inter-regional economic collaboration and cooperation.

China's huge aid/investment relations can be traced to the last two decades when it replaced military aid for independence struggle with development aid and investments in solid and non solid mineral and human capital. This headlong Chinese rise to industrial and economic power in the SSA has led to some profound changes, impressive consequences and a multi-polar order in the SSA. This expanding presence has altered the basic parameters on which the West relations are based¹.

China's huge engagement in the SSA in terms of industrial development aid and investments is colossal and a serious boasts to inter regional cooperation and collaboration between Asia and the Africa. This can be traced to China's huge development aid and Foreign Direct Investments (FDI) in the SSA decaying infrastructures with a view to revamping the SSA ailing industries and economy. It has also invested huge FDI in manufacturing plants and equipment; in academic and technical training of the human capital with a view to promote managerial and technological upgrading in existing industries; and in addition encouraged the development of more complete technology, sophisticated manufacturing and agro based industries.

Since 1999 when China re-established trade with the SSA it has signed into force series of industrial, trade and economic agreements with the SSA countries on bilateral and multi-lateral basis. It has massive investments in areas of hydropower, petroleum, agriculture, transport, solid and non solid minerals, textiles, timber and furniture, construction, infrastructures etc.

An analysis of the quantitative evidence of China's increased aid and investments in the SSA indicate strong preference by Chinese policy makers and investors for doubling of aid and investments. This poses serious dependency and governance questions in the face of China's foreign policy of non intervention in the internal Affairs of other countries and her determination not to impose conditions. It also raises serious questions about the absorptive capacity/capacity development of most countries in the SSA, aid and investments effectiveness and SSA citizens' participation in the whole process. In addition it call to question the difficult issues related to China's learning difficulties, in terms of results, relationships and responsibilities within the context of poverty reduction and trade and economic development and growth.

Thus far, China in terms of aid and investments in the SSA is an assertive and successful lone ranger, showing little inclination to coordinate its aid and investments (or development) engagements in the SSA with her Euro-America contenders. Viewed against this background and in the long term perspective China's challenge is with how to deal: (1) With her massive growing economic and development interest/influence in the SSA and (2) Euro-America deepened

criticism and resistance to the headlong trust and huge presence of China in the SSA.

Taking the above into cognizance the rest of the paper is structured as follows:

1. China's Development Aid/Investments interest in Sub Sahara Africa; where China's development aid and investments was discussed (section 2);
2. China's Aid/Investments Problems; where an analysis of the problem confronting China's aid/investments in the SSA was made and how to minimize these problems (section 3);
3. China's Aid/Investment Gains; in this sub section the gains was x-rayed and contributions made as to how to maximize these gains; and
 - Policy Prescription/Conclusion; where the policy implications where discussed and some recommendations and conclusion offered.

CHINA DEVELOPMENT AID/INVESTMENTS INTEREST IN SUB SAHARA AFRICA

China's economic and development interest in Africa is huge and has undergone shifting stages of activism in the last three decades. Several factors is responsible for this. The critical drivers include²:

- The formulation and announcement of a new independent policy on Africa of the 12th National Congress of the Chinese Communist party in September 1982. This was followed on the heels by Premier Zhao Ziyang tour of 11 countries from 20 December 1982 – 17 January 1983. In Tanzania at the end of the tour the Chinese Premier while re-affirming Chinas support for Africa's liberation struggle in Namibia and South Africa made it clear that the core of the new relations is to be based on four principles of Sino-Africa Economic Cooperation: mutual benefits, practical results; common development determined by domestic developmental priorities and its limited resources bereft of ideological baggage.
- With the collapse of the Soviet Union and Structural changes occasioned the demise of the cold war, China reviewed its foreign policy in Africa making it a strategic allied. With isolation of China following the Tiananmen square killings of 1989, China lunched a diplomatic offensive targeting the third World and Africa in particular, through promotion of visits by China's foreign leaders irrespective of the ideological linings. In addition it moved to third World countries (particularly the SSA) within international institutions. In 1990 Aid to African countries increased astronomically, amounting to US\$374.6 million spread among 43 recipients compare to US\$60.4 million in 1988, spread among 13 countries. Between 1989 and 1992 several African leaders where invited to visit China. This was a welcome development because America interest in Africa diminished with the collapse of the Soviet Union. A critical issue in China's development aid/investments in the SSA is the Taiwan issue in which Africa (SSA inclusive) supported China that further laid the foundation for the further use of aid as a diplomatic exchange in China-Africa relations.
- Another critical driver was the creation of the Forum for China Africa Cooperation (FOCAC) that was held for the third time in 2006 and

in addition the promulgation of a white paper on China – African policy.

- Lastly, China renewed attention in the SSA in terms of development aid/investments include the SSA's relatively unexploited petroleum and mineral resources that is needed to oil the wheels of the Chinese industry/economy. Particularly in Angola, Sudan and Nigeria, this drove up bilateral trade with Africa from US\$4 billion in 1996 to over US\$55 billion in 2006 (over US\$45 billion in 2007)

In 2006 China ranked third as Africa's trading partner after the United States and France with a trade volume of roughly US\$50billion. The flow of trade between Africa and China quadruped between 2000 and 2006. By mid 2006 over 800 Chinas companies have invested a total of US\$1.2 billion in Africa. A good number also secured orders worth more than US\$30 billion for infrastructural projects. With the aid of China Africa's economic growth is estimated to have risen by two percent points. China on/her part imports over 30% of its crude from Africa, particularly from Nigeria, Sudan, Angola. A US\$5billion Africa Development Fund was recently lunched with a view to encourage Chinese firms to invest in Africa whilst the 2006 FOCAC meeting pledged to open five trade and economic cooperation zones in 2009³.

China has published the equivalent of a white paper "China Africa strategy", as a basis for deepened economic relations. It also emphasized access to African commodities on cooperation in multilateral systems and on Chinese support for the AU/NEPAD and other regional initiatives and organizations. In this context China at the 2006 Sino-Africa summit on development cooperation in Beijing announced its intention to⁴:

- Doubling aid to Africa by 2009
- Providing concessional credits to Africa totaling US\$5 billion by 2009
- Establish a fund to support Chinese investments in Africa (US\$5 billion)
- Cancel concessional credits provided to highly indebted low income countries (due by the end of 2005)
- Lift tariffs on 440 goods from low income countries
- Support the establishment of three to five special zones for trade and economic cooperation.
- Implement the following individual measures in three years ending 2009: qualification of 15,000 African specialists, dispatch to Africa of 100 Agricultural advisers, development of 10 demonstration centers for agricultural technology, construction of 30 hospitals, provision of E30 million to combat malaria; dispatch of 300 youth volunteers, construction of 100 rural schools, doubling of Chinese University Scholarships for African Students to a total of 4000 in 2009.

In a World Bank report, the SSA is reported to have increased their exports from US\$3 billion in 2001 to US\$22 billion in 2006, though 80% of the total exports where from petroleum. According to the report other important African export commodities were iron ore and timber, manganese, cobalt, copper and chromium⁵. Mike Hart⁶ study also indicate that in 2008 trade between Africa and China exceeded US\$7 billion having grown by 43% per annum on a compound basis for the last five years. Furthermore, he asserts that the souring trade between Africa and China is on the rise, and is and will continue to be beneficial for Africa. In his view Africa is experiencing its fastest economic growth rate in years, with GDP growth for 2007 averaging an impressive 6.1%.

Beside the commodities boom, relative political stability and progressive economic management are setting foundation for more businesses to generate more profit for Africa, to which China's industrial and economic structure and guarantee remain significant.

China's huge investments (FDI) in the SSA as at today exercise huge influence over the SSA industrialization process and prospects through host of bilateral investments process that may be competitive or complimentary.

In a study by Axel⁷ on Sino FDI linkages using the bench mark of current European Model BIT approach it was found that the intense coverage of Chinese interest in Africa is due to strong growth in Sino-African trade driven by China's demand for natural resources. According to the study outgoing African goods are dominated by crude oil exports which account for 64 percent of total exports to China. China's oil imports from Africa have grown at an annual rate of 30percent and account for 25 percent of all its oil imports. In contrast exports to Africa mainly contain manufactured goods like machinery and electronics (41 percent) textiles and clothing (29 percent) as well as high tech products (8 percent). The overall conclusion reveals that China's African trade grew from 4.8 percent in 1999 to 7.5 percent in 2005. In addition the share of trade by the developed countries decreased from 66.3 percent to 62.2 percent, with Sino-Africa trade patterns (sectors) specific being comparable to that of African countries with countries in Europe and North America. Axel⁸ also found that although investments by Chinese in Africa have recently attracted considerable attention, outward FDI to Africa remain low compared to trade flows and overall Chinese outflow. It found that in 2006 China outward flow of FDI stocks and outward flows to Africa both represent 3 percent of foreign investments (see Appendix 1). Chinese outward FDI is mainly directed towards Asia and Latin America. However, outward flow towards Africa did increase substantially from US\$74 billion in 2003 to US\$ 519 million in 2006. Data on the outward FDI stocks points to ranking third as host region for Chinese investments, overtaking both Europe and North America, with Africa attracting US\$2.269 billion until the end of 2006. The study also reveled that FDI in Africa is concentrated on a small number of countries: the first ten receiving countries obtaining 70% of all the FDI stocks while aggregate data on the sectoral distribution of FDI is not available, the indication is that large majority of Chinese FDI in Africa has been conducted in extractive industries of a small number of countries: over the last 15 years 70 percent of FDI has been invested in five out of seven oil exporting countries. South Africa is however an exception representing a country that has been able to attract Chinese FDI in non-resource seeking sectors like the financial sector. Of recent companies have began to diversity their investments to non resource sectors and other countries, against the background that Chinese investments in Africa are for most part dominated by natural commodity especially crude oil. The conclusion therefore is that the dominance of resource seeking projects in China's outward FDI portfolio in Africa is likely to have policy implications for investments agreements and contents.

Moving down to industrial specific, Chinese industrial engagements in the SSA exhibits traits of hopes, conflicts and central to Sino-Africa development challenge. This is so because the SSA industrialization is complex and arises from a variety of interactions between Africa (SSA inclusive) and China, and the global economy. Sino-Africa trade runs much deeper than simply Chinese demand for raw materials in resources rich African countries. With the relationship been to an extent a reciprocal one, and most African merchandise export to China more than doubling to 2004. China accounting for more than 40% of African exports

to Asia.

In recent times Africa has seen revived growth and this have been attributed to China's demand for import inputs used for construction of infrastructure and manufactured exports. This recent growth spurt has been associated with sharp change in direction toward external orientation. Indication is that from 1998-2004 SSA exports grew at a rate of 50 percent higher than global exports. At face value export orient manufacture indicates a manufacturing performance that more than doubled between 1990 and 2005 from US\$7.5 billion to US\$12.5 billion.

CHINA'S AID/INVESTMENT PROBLEMS

China's expanding economic relations have been fundamental but it is beset by some problems particularly that of undermining industrial productions or dynamism in the SSA. For instance China competes directly in labour intensive and low technology industrial sectors of SSA that is widely seen as the step ladder for SSA's industrial growth and this constraints the growth of the domestically focused industrial sectors in virtually all SSA economies¹⁰. In addition, with regard to SSA export-oriented industrialization, China's treat is significant, but indirect in nature. The most visible of these threats include the squeezing of SSA's clothing, textile, furniture and foot ware exports in both the United States and the more than half of all SSA's manufactured exports (excluding South Africa)¹¹. The more subtle impact of China's growing industrial competences that lead to a change in the organization of global chains, where lead Chain governors are allowed to retreat from the supply chain upgrading which is widely considered to be of considerable assistance to the growth of competences in the SSA industry¹².

China stand criticized of employing Chinese labour instead of Africans in projects which they engage in Africa. In addition, there is no favourable trading balance for SSA countries. The SSA has always had to buy from China without selling its own products to China. There is a trend of dumping second and rejects to Africa while the choice grade is sold to buyers in the west.

China has also been accused of dealing with rogue states. In her drive to secure raw materials it is coddling dictators, in countries such as Sudan, Zimbabwe and Angola and undermining western efforts to spread democracy and prosperity¹³. China is also accused of trying to foster imperialism on the SSA,

The World Bank is largely unhappy with Chinese banks because they are ignoring human rights, environmental and corporate governance standards when lending to African countries (SSA inclusive). The World Bank is of the view that there is a risk of seeing countries which have benefited from (western) debt relief become heavily indebted one, more impoverish, dispossessed and enslaved¹⁴.

Thomas five et al¹⁵ are of the view that China is seen to have largely failed to deliver on its proclaimed intention of deepening its cooperation with regional organizations. While it true that Beijing summit broadened the continental frame of reference for China's foreign policy and straightened Africa's collective self deletion, it still remains to be seen how in the long term, China will deal with efforts being under taken by the African Union (AU), NEPAD (New Partnership for Africa's Development) to promote good governance and to impose restrictions on national sovereignty in cases involving serve human rights violations. China's stance toward the African Peer Review Mechanism could prove to be the test for

the seriousness of its stated willingness to support regional initiative even if they should not be consistent with the values and notions of social order embraced by China.

A serious criticism of China human capital developments in the SSA indicate that human capital development weighs heavily against the transfer of technological skills and education from Chinese to SSA Citizens. This is because cheap Chinese labour is often used, and large industrial projects rarely transfer skills to local African populations.

As at today a host of Chinese transactions with the SSA countries appears to be short term fixes and front load deals. This could become point of conflicts in the future.

The lack of absorptive capacity poses huge difficulty in managing the huge Chinese investments/aid in the SSA. This in most of the SSA countries could result from poor governance, selecting administrative agencies and shortages of human resources. These constraints could be examined from various types of constraints, and this includes both short term and long term. The short term constraints arise out of inadequate infrastructure and equipment, perverse incentives of public officials and weak expenditure management systems. The long term constraints include major deficiencies in institutions and policy processes and shortages of technical and management skills¹⁶. In addition, the lack of commitment on the part of Chinese aid recipient governments to reprioritize expenditures or aid to undertake the changes in governance that are essential for the productive engagements also pose serious problem.

One of the critical arguments about increased in aid to the SSA which is also relevant to the aid from China to the SSA include the problem of the danger of excessive dependence on aid, which have the ability of undermining the effectiveness of the raising Chinese aid to the SSA¹⁷.

Heavy Chinese aid dependency by the SSA particularly arising from large discontinuous increases in external assistance can result in micro-economic problems. First, it result in Dutch disease phenomenon, referring to the possibility that large windfall receipts of foreign exchange (in the form of aid) can result in competitive exchange rates that can undermine export performance and thus perpetuate aid dependence. Secondly, predictability of aid inflow can create acute macro problems for micro economic management¹⁸.

As China's aid/investments increase in the SSA and the relationship grow and the institutional tendrils for managing them become more enmeshed in China and China get locked into Africa there is the likely hood that huge problems may emerge which bring its own risks and long term repercussions across the SSA consequently there is need for rigorous research centered around key questions of economic change, class composition, ownership, and wealth distribution. viz¹⁹:

- In what ways do the patterns of Chinese aid and investment reinforce existing macroeconomic reforms and structures or does it work against them?
- How has Chinese aid and investment transformed the ownership of African countries?
- How does Chinese involvement affect the well being and security of different class groups in Africa?
- How do different classes of Africans perceive China's growing role in trade and investment?
- What is the racial composition of this changing class?
- How do African politicians and political parties play the China Card?

- To what extent does China's involvement strengthen the hold of regimes in power? How do African regimes use Chinese aid and China's development patch as a means to push through different kinds of political change?
- In what ways does China deliver aid and how it is different and distanced from western aid? How are different discourses of sovereignty cooperation and development mobilized in these practices?
- How are Chinese aid and investment projects decided upon and allocated?
- What level of conditionality exists in Chinese aid? What effects does this have on policy autonomy in the SSA?
- What tensions exist on the ground over donor coordination? Are western donors in the SSA seeking to include China more and in other ways?
- In addition, other emerging questions aimed at exposing the problems of China's aid/investments in the SSA include:
- How beneficial is China's relationship with the SSA?
- Is the SSA learning the ropes?
- Is the SSA leveraging China's experience?
- Is the SSA leveraging on strategies which saw the Chinese out of poverty?
- Is the SSA – China relationship akin to that of the hegemonic west?
- In spite of its south-south nature, is it not similar to the North South relationship which have characterized North South relationship since the colonial days?
- Is there a strategic blue print in place to make China transfer its technology to the SSA?

CHINA'S AID/INVESTMENT GAINS

China's fast growing presence in the SSA in the last three decades has provided her with security for the supply of energies and raw materials from the SSA. In addition it has developed new markets for its exports sector, to place direct investments in industrial and raw materials sector, and to secure orders for building of physical infra-structures in the sub-region (bridges, ports, roads etc).

Despite the differences between China and the SSA in values and interest China's growing global economic power has succeeded in closing ties between Africa (the SSA inclusive) and China, such that it is better able to assert its interest in multilateral context e.g at the United Nations where it is able to ward off criticism of its human rights record or in the World trade organization with an eye in pushing through its recognition as a market economy. In addition based on African priorities China has been able to deepen exchange with the SSA on their development programmes and also explore opportunities that are given to cooperate in Africa.

One of the gains of China in the SSA includes having been able to forge new infrastructure partnerships in the region that is driven by strong economic growth improved-business friendly climate. In the power sector, China has also been able to invest hugely in hydropower schemes in complimentary deals with more than 35 African countries. As at today China's growing infrastructure commitments is helping to address the huge infrastructure deficit of the continent. While China is boasting the continents desperately needed infrastructures and Africa

is providing China with oil and other resources.

The on-going economic relations between the SSA and China provide it with a good diplomatic achievement. In a Euro-American dominated region as its economy booms, China's drive to buy African oil and other minerals has led to an astronomical increase in the volume of a two way trade which as at 2008 has grown to US\$78 billion. Thus China's quest for raw materials and the SSA desire for cheap products create a good symbiotic relationship between the two sides.

China has maintained or invested billions of dollars in aid and cheap loans in the sub region. It has also done much to up grade roads, ports railways, telephone hires, power stations as well as other key infrastructures across the sub-region. Particularly in projects that most western investors will deem too risky to sink their money into in the sub-region. Consequently this burgeoning relationship is proving to be a marshal plan for Africa to which China stands to gain.

China type of industrialization based on its traditional comparative advantages (natural resources and cheap labour) will no doubt create problem for the SSA. However, the prospects of building a Chinese led industrialization through aid/investments with a view to making the SSA a development capable region and a raw material sufficient China remain bright and huge. This is with a view to sustain the growing Chinese global trade and economic supremacy. It includes the following amongst others:

- China has the financial capacity to increase aid/investment to see the programme through its logical and mutually beneficial conclusion.
- The SSA economies are in bad shape and have willingly submitted to Chinese industrial/economic leadership for the interest of revamping the economy for the mutual benefit of the SSA and China.
- China is already involved in revamping the decaying infrastructures in the SSA. This will in no doubt assist in shaping or hastening SSA industrialization process for the mutual benefit of China and the SSA.
- The SSA states sees China as a better alternative to the hegemonic Northern powers, and the Indians they hold in deep mistrust in terms of mutual industrial benefits and level of preparedness to grow their economies without conditionality.
- China industrial expansion and increase global trade needs raw materials from the SSA to keep up raw materials consumption, as a result China should be willing to invest more in the SSA. China has deficiencies in energy resources compared to needs, with its fast pace of growth and structural transformation of the economy, the gap between China's energy productions is widening. This should create incentives for China to propel industrial leadership in the SSA.
- China's trade has been expanding all over the world with EU and the United States, Japan and South East Asia as its biggest trading partners. The EU and the United States are also the main trading partners of the SSA which is another factor for competitiveness of China in the international markets. On the other hand there have been changes in the regional distribution of China's trade due to increasing share of the developing world. This implies good potential for the industrial development and China's leadership of Sino-Africa relations.
- China's typically comes to the SSA with a complete package that included money, technical expertise, and political influence in the international fora, and this implies good potentials for Sino-Africa industrial development

leadership.

- China's fast growing presence in the SSA is good for its industrial development. China's highly differentiated package of economic cooperation instruments, including elements of industrial development policy are finding acceptance in the SSA. The continent self evaluation indicate that it has been upgraded by China as an attractive economic and industrial partner while the attitude that pre dominates in the west is more that of charitable parternalistic concern for the SSA. However, if China's overall growth is to be sustained in a trilateral competition (China, EU and the United States) it must develop and cultivate the SSA within the context of Sino-African relations. This is because in all ramifications the SSA is the only region south of the Atlantic that can truly stand by or support China in her quest for global trade and economic supremacy.

POLICY PRESCRIPTION/CONCLUSION

China may be accused of trying to foster imperialism on the SSA, but as at now and in the foreseeable future it does not have the broad range presence – cultural, financial, gendered, religious and military forces that must be in place to perpetuate imperialism²⁰. Consequently the SSA has accepted the strategic partnership offered by China which is also good for China's strategic interest to which China should strengthen through increased aid/investments.

SSA trade and development deficits are such that the SSA acting alone cannot achieve results. What is needed is a strategic effort of the SSA governments and a genuine development partner from the south or the North. This China from her aid/investments commitments seems to perfectly fit into. This calls for an expanded market for trade that encourages specialization and division of labour and efficiency in productivity, growth and capital accumulation in a Sino-SSA commonwealth of states.

The presence of China in her assistance to the SSA as at today seems to be the most conspicuous and the catalyst to developing the SSA and satisfying China's insatiable appetite for raw materials. Particularly as the SSA continues to present a sad case of a region more or less excluded from world trade and its benefits. According to Stephen Mark²¹:

"Almost every African country today bears examples of China's emerging presence, from oil fields in the east to reforms in the south, and mines in the centre of the continent ,according to recent Reuters report, Chinese run farms in Zambia, supply vegetables in Lusaka's street markets, and Chinese companies, in addition to launching Nigeria satellites, have virtual monopoly"

China offers a wide range of monetary and non-monetary packages which include grants and loans for infra-structure, plant and equipment, as well as scholarships, training opportunities and technical assistance. Chinese monetary aid is tied to the use of Chinese goods and services and requires adherence to the 'One China' policy but does not carry the 'good governance' conditionalities that currently characterized western donor's aid or investments. The impact channel of trade, FDI, aid and migration overlap to some degree, especially in the case of China. The line between FDI and aid is often blurred, as is the line between aid and trade. The potential impact of Chinese aid on Africa is significant, but the actual effects of China's aid/investment will depend to a large extent on the instructional and structural capacity of the SSA²², to which China should remain committed and proactive for the mutual benefit of China

and the SSA.

The SSA and China development aid support and trade, industrial and economic partnership can be strengthened or deepened through a lot ways, amongst which are:

- I. China should within the context of Sino-Africa strategic partnership commit the SSA governments to a medium term development and wealth creation priorities within the goals and aspirations of Millennium Development Goals (MDGs) and New Economic partnership for African Development (NEPAD) that is driven by both China and the SSA. It should be parallel to the International Financial Institutions (IFI's) Poverty Reduction Papers. By so doing it will succeed in keying into the SSA development paradigm that should fully integrate and promote Sino-Africa interests as well as serve as checks and balance to the IFI's model.
- II. China should evaluate the contribution of its FDI to the SSA within the context of Sino-Africa strategic partnership and from time to time evaluate and realign its FDI in the SSA in terms of:
 - To what extent has FDI contributed to SSA economic growth in terms of capital and for current accounts?
 - To what extent has FDI resulted in crowding in of domestic investments?
 - To what extent does FDI impact on human and labour rights? This is because it is a critical issue that has sparked protest and agitations against China's economic interest in the SSA?
 - What are the FDI induced social and environmental consequences?
 - To what extent did the FDI facilitate development in the SSA?
- III. China should put in place a collaborative and cooperation actions and goals that is targeted to develop jobs in export manufactures in the SSA to which both Africans and Chinese are employees.
- IV. Within the context of Sino-Africa relations and long term strategic survival and development of China and Africa, China should develop strategy for supporting NEPAD and expanding African regional and sub-regional trade blocks or markets for full economic integration programmes particularly in terms of filling the wide gap between investments and growth or to fill the wide gap between targeted foreign exchange requirements and revenue derived from net export earning plus foreign private investments.
- V. China should within the context of Sino-Africa strategic partnership channel her investments and development aid to the SSA toward the production of capital equipment with a view to increasing SSA capital stock and thus boast her manufacturing enterprise as well as the export of manufacturer. This should include all man made means of production, such as machinery, factories, office building, transportation, communication and human capital.
- VI. China should continue to prioritise investments in the SSA on technology and trade boasting infrastructures such as roads, electricity and water supply that are very costly to SSA manufacturing enterprise²³, which should boast her manufacture exports to China the EU and the United States and thus strengthen her strategic partnership and trade balances with China. Further the weak state of infrastructures that makes planning difficult and limits the growth of the SSA should attract the serious

attention of China too²⁴.

Given some of the constraints that pose serious problems for substantial increase in development aid and investment to the SSA the agenda for action by China should include²⁵:

1. Addressing forcefully issues related to high transaction costs and ensuring that the aid/ investment development process facilitate development process rather than hinder it; and eliminate burdensome practices and relying more on country systems.
2. Development interventions should be designed taking into cognizance the capacity constraints rather than assuming that resources will immediately translate into improved outcomes. Beside short and long term constraints should be considered in the design phase country by country and sector by sector. Recipient governments should be assisted to develop sound positive strategies for dealing with increased aid/ investments.
3. China should increase aid financed investments in infrastructures and the production sectors with a view to improve important contribution to increased sustainability of long term development efforts for the mutual benefit of China and the SSA.
4. The microeconomic implications of increase aid/investment should not be overlooked. This is because sensible microeconomic management can deal with the problems of long term development programmes, such as the MDGs and NEPAD to the symbiotic advantage of China and the SSA. This will critically depend on the nature, scale and speed of the increase.
5. A deeper understanding of the political economy factors that drive the SSA development strategy including choices and incentives created by domestic policies and by aid relationship, could assist to shed light on the short comings of current Chinese development aid and FDI interventions and by identifying better entry points for assisting and nurturing the SSA for the mutual benefits of the SSA and China.

Viewed in the long term perspective China's growing aid/investment should take cognizance of the potential complimentary role and strategy of the Euro-American aid /investments in the growth, poverty reduction and regional stability of China's engagement in the SSA. China should put in place an Africa Policy Dialogue that is not only addressed to Africa but to the different current in Euro-America governments, science, market, society and industry. The strategy paper should call for intensified China and Euro-America coordination in the development cooperation with Africa and joint support of the Paris Declaration on aid effectiveness in the SSA. It would also make good sense to explore practical avenues of cooperation between China, Europe, The United States and the SSA, preferably in priority MDGs goals and NEPAD policy fields

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APPENDIX 1

Table 1
Chinese outward FDI stocks by region (million US dollar)

Region	2003	2004		2005		2006		
Asia	26603	(80%)	33479	(75%)	40954	(72%)	47978	(64%)
Latin America	4619	(14%)	8268	(18%)	11469	(20%)	19694	(26%)
Africa	491	(1%)	899	(2%)	1595	(3%)	2556	(3%)
Europe	485	(1%)	676	(2%)	1272	(2%)	2269	(3%)
North America	548	(2%)	909	(2%)	1263	(2%)	1587	(2%)
Oceania	472	(1%)	543	(1%)	650	(1%)	939	(1%)
Total	33222		44777		57205		75025	

Source: compilation based on MOFCOM (2007).
¹Outward FDI data in non-financial sector on an approved basis

Table 2
Chinese outward FDI flows by region (million US dollar)

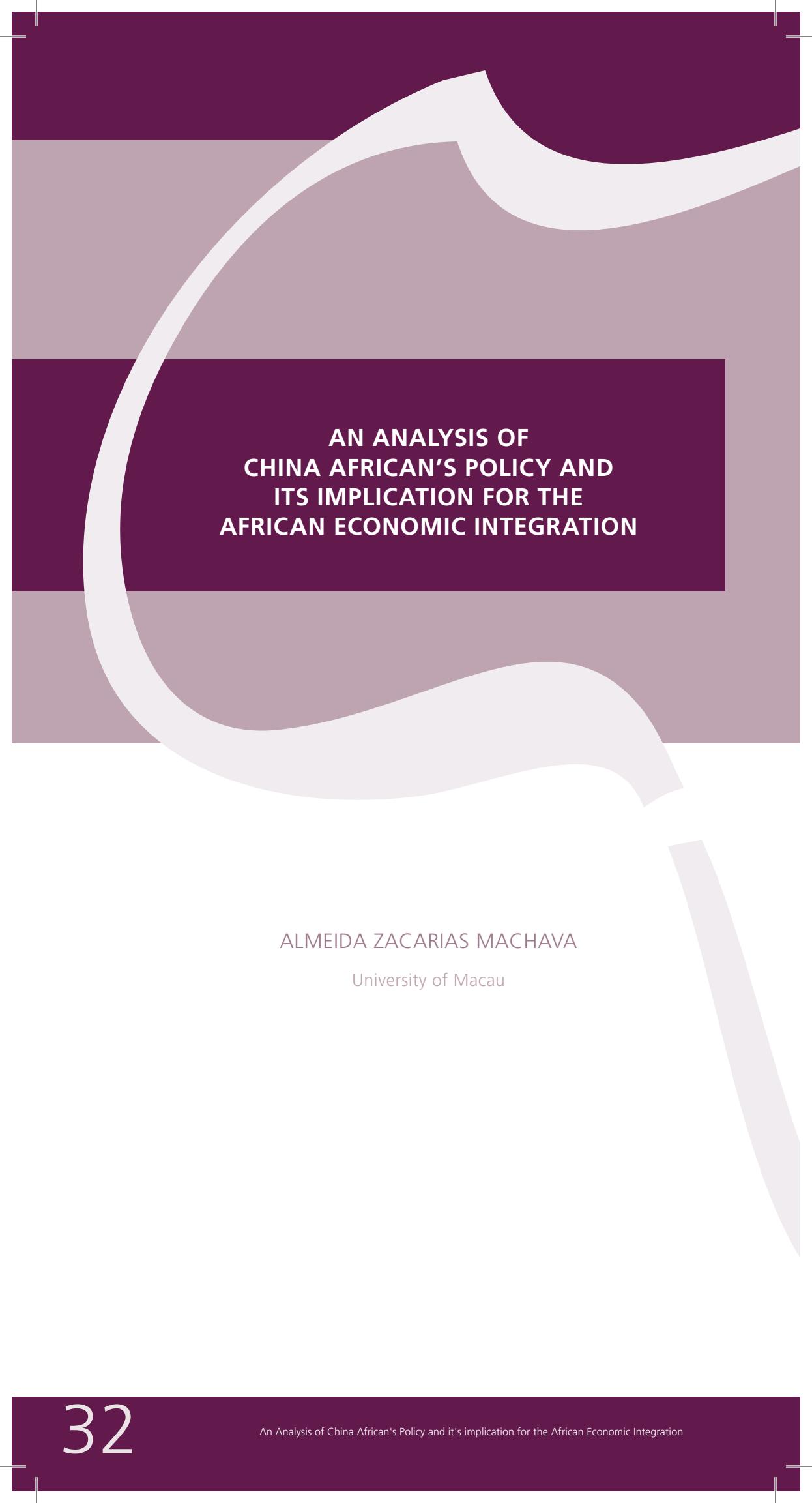
Region	2003	2004		2005		2006		
Asia	1038	(36%)	1762	(32%)	-	-	8468	(48%)
Latin America	1505	(53%)	3013	(55%)	4484	(37%)	7663	(43%)
Africa	145	(5%)	157	(3%)	395	(3%)	597	(3%)
Europe	74	(3%)	317	(6%)	391	(3%)	519	(3%)
North America	57	(2%)	126	(2%)	390	(3%)	258	(1%)
Oceania	33	(1%)	120	(2%)	202	(1%)	126	(1%)
Total	2854		5497		122261		17633	

Source: Axel Berger 2008 compilation, based on MOFCOM (2007).
¹Outward FDI data in non-financial sector on an approved basis

Table 3
Chinese outward FDI stock in Africa (million US dollar)

	Country	2003	2004	2005	2006
1	Sudan	0.55 (>1%)	171 (19%)	351 (22%)	497 (19%)
2	Zambia	143 (29%)	147 (16%)	160 (10%)	267 (10%)
3	Algeria	5 (1%)	34 (4%)	171 (11%)	246 (10%)
4	Nigeria	31 (7%)	75 (8%)	94 (6%)	215 (8%)
5	South Africa	44 (9%)	58 (7%)	112 (7%)	168 (7%)
6	Tanzania	7 (2%)	53 (6%)	62 (34%)	112 (4%)
7	Egypt	14 (3%)	14 (2%)	39 (2%)	1 (4%)
8	Ethiopia	4 (1%)	7 (1%)	29 (2%)	95 (4%)
9	Congo	—	5 (1%)	13 (1%)	63 (2%)
10	Guinea	14 (3%)	25 (3%)	44 (3%)	54 (2%)
...					
23	Botswana	2 (>1%)	4 (>1%)	18 (1%)	25 (1%)
24	Cote d'Ivoire	8 (2%)	14 (2%)	29 (2%)	25 (1%)
...					
48	Djibouti	—	0.40 (>1%)	0.40 (>1%)	0.60 (>1%)
	Africa	491	899	1595	2557

Source: Axel Berger 2008 compilation, based on MOFCOM (2007).
Outward FDI data in non-financial sector on an approved basis



AN ANALYSIS OF CHINA AFRICAN'S POLICY AND ITS IMPLICATION FOR THE AFRICAN ECONOMIC INTEGRATION

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ABSTRACT

This paper analyzes, on the one hand, the strategy jointly adopted by African countries geared for continental economic integration and participation of their economies in the multilateral trading system and, on the other hand, the strategy adopted by China in the implementation of its African policy and in the development of trade relations with Africa, in order to access their compatibility. Based on the analysis, the first conclusion is that the Chinese strategy towards Africa, based on bilateral agreements with some African countries, is not in line with the African strategy, which sees the regional economic communities as the solution, for African economic integration. Thus the Author suggest the rethinking of the Chinese strategy towards Africa in order to allow a harmonious development of the continent and avoid the divisive effect that may arise from the way how China is implementing today its African policy.

Keywords: Africa, China, Economic Integration; China's African Policy.

1. INTRODUCTION

International trade and economic theories have proved that no country can subsist by itself without entering in relations with others, and the advent of the multilateral trade system and the process of globalization are good example to confirm those theories.

It is on basis of this reality that many countries around the world are trying to establish ties, diplomatic, political or economic, with other countries or regions. China and African countries are not an exception to this scenario.

China-Africa relations date back centuries, although one can say that the establishment of formal diplomatic relations date back early in the second half of the Twentieth Century, after the establishment of the Republic in China.

During several decades, China-Africa "formal" relations were driven basically by political and ideological ideas aimed at put an end to the imperialism. In fact, China-Africa relations were developed in a way of support given by China to African liberation movements seeking independence from colonialism. However, the turn to the 21st Century and following the process towards the admission of China into the WTO, China-Africa relations gained new dynamism, the economic dimension of those relations became more expressive. From there, relations between two parties were not merely political or ideological; both started to look at each other as a valid partner for development of trade and economic relations.

Now integrated into a large scenario of international trade relations, the multilateral trade system, both China and Africa designed a set of strategies to make themselves important players in the multilateral trade game, on the one hand, and to develop their bilateral relations, on the other hand.

In this paper we try to analyze the strategies adopted by each part to participate in the multilateral trade system and the China's policy towards Africa, being that this later is to assess the compatibility of its implementation strategy with the African strategy for economic integration. For that, first we pass in review the African strategy for economic integration in the continent (2). Following we make a short look to the process of China's integration into the multilateral trade system (3) and before our final considerations (4) we analyze China's African policy (3.1).

2. AFRICAN STRATEGY FOR ECONOMIC INTEGRATION

The strong sense of common identity across Africa makes the continent prone on ideas of Africa unification, although in the first stage driven by political threats brought by colonialism. However, the economic dimension for the unification of the continent was always present.

It has been considered that the ideas of African economic integration have their roots in the 1980 Lagos Plan of Action, which constitute "a step for the construction of a structure to facilitate an eventual creation of an African Common Market", and reinforced in 1991 when "some of the OAU [Organisation Of African Unity] Heads of State or Government signed the Treaty establishing the African Economic Community [AEC]". However, it is important to note that the ideas of economic integration in Africa did not appeared on that time since the OAU Charter had already defined the regional integration "as

one of the anchoring deals of African unity” , an idea kept in the Constitutive Act establishing the African Union , which besides the democracy and human rights, also emphasizes the economic development, having as the key mission the creation “greater unity and cooperation among the member countries and among the peoples of Africa in order to improve living conditions on the continent” , that is, “the AU [African Union] aims to improve African economies and recapture the continent’s economic position in the world trading system for the benefit of its people” .

In this regard we can argue that the AEC was created to overcome “the failure of the OAU to meet the objectives of the 1980 Lagos Plan of Action, which had called for the creation of an economic community in Africa by 2000” , it was the Treaty establishing the AEC, usually referred to as the Abuja Treaty and entered into force only in 1994 after the conclusion of the ratification process, that clearly “made Regional Economic Communities (RECs) the building blocks for the continental community” , like the 1980 Lagos Plan of Action, which “made the creation of regional unions (...) a centrepiece in the grand strategy for Africa in the pursuit of development” , that is, under the Abuja Treaty, establishing the construction of the African Economic Community through one pyramidal model , the continental Community has as pillars the RECs, in the sense that, “as a first step towards [continental] integration, the REC is affirmed as the institutional organ to which every State should belong” .

It was taking into account the fundamental role played by the RECs that the Article 6, paragraph 2, sub-paragraph a) in fine of the Abuja Treaty states the necessity of creation of Regional Communities, “as distinct and independent entities governed by specific texts” , in the regions where they do not exist as well as the “Article 88 of the Abuja Treaty provides for the establishment of relations between the AEC and the RECs [and] Article 95, for a legal instrument to govern these relations” , an idea reinforced by Article 3 sub-paragraph l) of the African Union Constitutive Act.

This continental demand for regional economic integration arrangements as the building blocks of the continental economic integration is due to the fact and in consideration that the “economic integration in Africa is an imperative if the continent is to achieve its potential, and to participate on equal terms in the global economy” and, in response to this continental demand, several RECs were created and those that already exist were strengthened.

Due to the abovementioned continental demand, Africa witnessed the emergence of many efforts for the establishment of regional economic integration arrangements and today we can testify the existence of at least 8 RECs , namely:

1. Economic Community of West African States (ECOWAS), with 15 members and a headquarters in Abuja (Nigeria)
2. Common Market for Eastern and Southern African States (COMESA), with 20 members and a headquarters in Lusaka (Zambia)
3. Economic Community of Central African States (ECCAS), with 11 members and a headquarters in Libreville (Gabon)
4. Arab Magreb Union (AMU), with 5 members and a headquarters in Rabat (Morocco)
5. Inter-Governmental Authority on Development (IGAD), with 7 members and a headquarters in Djibouti
6. Community of Sahel-Saharan States (CEN-SAD), with 18 members and a headquarters in Tripoli (Libya)
7. East African Community (EAC), with 3 members and a headquarters

in Arusha (Tanzania)

8. Southern Africa Development Community (SADC), with 15 members and its headquarters in Gaborone (Botswana).

It is important to note that, under the Abuja Treaty, the concept of RECs was designed taking into account the geographical proximity between Member States , that is why, as well underlined by MACARINGUE (p. 5), although recognized as RECs, the IGAD and CEN-SAD are not regions since they do not satisfy the criteria adopted in the Abuja Treaty .

In fact, if we look to the Member Countries of these two organizations, easily we will conclude that they must be defined as 'Sub-Regions', according to the Article 1 paragraph e) of the Abuja Treaty, and not as Regions. However, the equal treatment given to these two arrangements and other RECs is due to the Article 4, paragraph 2 sub-paragraph b) of the Treaty, since the sub-regional arrangements are also seen as playing an important role to the attainment of the objectives of African Economic Community. As a matter of fact, this is in line with the new approach according to which the geographical localization and proximity is irrelevant to qualify an organization or arrangement as regional (economic) integration .

It is important to underline that besides the emphasis given to the REC's as the building blocks of African economic integration, still under the auspices of the OAU, the African leaders launched, in 2001, the New Partnership for Africa's Development (NEPAD), a program aimed to pursue the same objectives set forth in the Abuja Treaty establishing the AEC and nowadays also persecuted by the African Union such as the promotion of "democracy, stability, good governance, human rights, and economic development on the continent" .

Again, the NEPAD agenda sees in the regional economic communities the starting point to integrate the whole continent, that is, it "defines the strengthening of African regional markets as a point of departure to greater integration into the global economy but not as a goal in itself" .

3. CHINA RE-INTEGRATION INTO THE WORLD ECONOMY AND ITS TURN TO AFRICA

The last two decades have been witnessing the emergence of a new economic super-power, the Peoples Republic of China. Nowadays it is impossible to talk about multilateral trading system without making reference to China. As well underlined by Wei Dan , China has proved to be a country increasingly important in the world economy, presenting itself as one of the largest and fastest growing countries in the world ... its integration into the international economy attracts world attention ... it is too large to be changed and too be important to be ignored, hence its non-acceptance as WTO Member would only undermine the universality of the multilateral trading system.

However, the process of integration of China into the global economy was not, at all, an easy task. It required a long process of negotiations with the key trading partners and the realization of radical economic reforms in China. Adopting what we may call a "decentralized system" in order to grant a social stability, the process of economic reforms in China started in the rural areas, covering the agricultural sector and gradually it was extended to urban areas, where the main target were the state-owned enterprises . Nevertheless, the most important for China was the introduction of the market economy and

resume its membership to the GATT, what required it to review its foreign trade policies and to "adopt concrete measures to change the primary areas of the foreign trade regime".

Although has expressed its interest in re-joining GATT in the middle of 1980s , only in the middle of 1990s China took significant steps to conform its foreign trade policies and regime to the requirements of the multilateral trading system, which culminated with the adoption of the first Foreign Trade Law in 1994, reducing customs tariffs and eliminating the non tariff barriers to trade .

The strategy adopted by China to promote economic reforms and prepare itself to enter into the global economy proved to be effective and today no one can say that the results are not satisfactory if we look to the current position of China in the international trade scenario. Indeed, conducting economic reforms adopting legal instruments and policies elaborated taking into account the international rules regarding international trade (the ones from GATT and WTO), China proved to be a "good example of regulation of the national legal framework according to the international rules" to be followed by many developing countries, among them African countries, willing to enter into the global economy as well as the Chinese experience can serve as a good example for legal harmonization, which is, in our point of view, fundamental for the desired economic integration.

After more than 15 years of negotiations, on 17th September 2001, the agreement on final terms for China integration into the global economy through WTO was concluded and during the Doha WTO Ministerial Conference, held on 10th November 2001 was approved the decision on China's accession to the WTO and China became formally member of WTO on 11 December 2001 . If we look to all process leading to China's accession to the WTO, mainly to the agreement on final terms for its entry, we could ask ourselves why a country like China, which was achieving great success on economic development even not being GATT or WTO Member, accepted to ratify terms imposing commitments on market access and interaction with the international economy (rules-based issues) that by "far surpass those made by founding members of the World Trade Organization and, in some cases, go beyond those made by countries that have joined the organization since its founding in 1995" . However, it will remain an open question, the real reasons only the Chinese authorities know although in our opinion the real reasons appear to be more political than economic. However we also agree on that "China's membership in the World Trade Organization creates the potential for impressive gains in economic efficiency (...) [and] the most important is that China will be able to use the WTO dispute settlement process to protect its economic interests" . In fact, before its entry into the WTO, China's relations with its economic partners were on bilateral basis and the settlement of disputes emerging therein were dependent on bilateral negotiations, and most of them were settled according to national law of each party .

3.1. CHINA TURNS TO AFRICA

When China joined the WTO in 2001 and even before, during the negotiation for its entry into the global economy through WTO, no one could predict the following steps to be taken by China to cement its position as an emerging economic power. Since almost all analysis on the implications of China's access to the WTO on the world economy were conducted taking into account USA,

Europe, Asia and China itself and other countries or regions were not considered on those analysis, even countries like Brazil and Russia were not considered, many analysts believed that the China's strategy would be directed to those countries or regions (USA, Europe and Asia).

However, integrated into the multilateral trading system by joining the WTO, China policy regarding foreign trade was not only directed to the main markets like USA, Europe and Asia. It was also directed to other markets and regions like Latin America (Brazil) and, for everyone's surprise, or not, to Africa.

In fact, the last years have been witnessing the increase and strengthening of trade and cooperation relations between China and African countries. The relations between China and Africa are not new; they date back centuries although more significant from the time when China was supporting some African liberation movements seeking independence from colonialism. From there and for more than three decades, China-Africa relations were developed on ideological basis .

The increasing affirmation of China as new economic "super" power in the world required it to, besides the process of its admission to the WTO, identify new economic partners to support its hegemony in the multilateral trade system and China realised that the historical record shows that the most feasible strategy to meet this objective was to turn its attention to Africa, a continent that was always neglected in the discussions on development of international trade.

Turning to Africa, the Chinese were secure that setting a strategic economic relationship with the continent would, anchored on common ideological belief and historical record, provide China "the means to secure its position in the WTO and other multilateral venues" .

The China-Africa Summit held in 2006, under the Forum on China and Africa Cooperation (FOCAC) , which, as pointed out by ALDEN , serves (or should serve) "as a platform to display the benefits of regional cooperation and partnership between Chinese officials and their African counterparts", can be considered the starting point of the new era of trade relations between the two parties. However, in early 2006, the Chinese government had adopted the document that from there on would be regarded as the source for the coming China's action towards Africa, the China's African Policy .

By adopting foreign policy towards Africa proclaiming "[s]incerity, equality and mutual benefit; solidarity and common development" , as the guiding principles, supported by the development of non dogmatic approach of a policy without "political strings", as ALDEN (p. 8) called it, China got rapid positive reaction from African governments, which looking to the rapid economic development of China saw it as the good partner to pursue their own economic development with the hope that "China will turn its attention to long-neglected areas such as infrastructure and that its strategic approach will raise Africa's global status, intensify political and market competition, create promising new choices in external partnerships, strengthen African capacities to combat malaria and HIV/AIDS and promote economic growth" .

However, to understand China's policy towards Africa is not an easy task since, as GILL, HUANG and MORRISON (p. 5) noted, it is complex, multidimensional and entails greater risks (both to China and Africa). In fact, China's policy towards Africa has been "conducted on a fairly bilateral basis, though it is folded into a very public regional diplomacy setting (FOCAC) and sometimes plays out at the multilateral level" .

The China's African Policy recognizes the important role played African Union and regional and sub-regional organizations in the economic development and

integration in the continent, and provides the possibility of establishment of Free Trade Agreements with those regional organizations (Part IV, Paragraph 2, sub-paragraph 1). However in practice the recognition of those regional organizations does not entitle them the capability to enter into cooperation with China since it has privileged bilateral ties with some African countries instead of entering in agreement with groups of countries and even the negotiation of FTA with them is no more than a possibility, as stated in the China's Policy towards Africa.

The Chinese reluctance in establishing ties on regional or multilateral level with Africa is due to the political principle of "one China", aimed at limiting the political legitimacy of Taiwan and the reunification of China. For China, entering into partnership agreements with African regional economic communities, for example, may imply a tacit recognition of Taiwan's independence and, on the other hand, be helping African countries that do not support the China's cause of reunification. If these are the really concerns of China we cannot say that they are not justifiable, however, China may also consider the economic influence of those African countries with diplomatic ties with Taiwan in the region where they are inserted.

Nowadays, the number of African countries with diplomatic relations with Taiwan is reduced to four , one in the Southern Africa (Swaziland), member of SADC, two in the West Africa (Burkina Faso, Gambia), both members of ECOWAS, and one in the Central Africa (Sao Tome and Principe), member of ECCAS. If we look to the influence of these five countries within regional economic communities where each one is inserted, we can easily verify that they have very little or no influence at all.

Following a contractual cooperation approach , China has only "allowed the Chinese to highlight their ties with individual African leaders" , and less benefits has brought to the continent as a whole. Even in those countries where China sets bilateral ties the benefits of Chinese presence are very low among locals, being the Chinese companies the major beneficiaries of these China-Africa relations. In fact, adopting "the traditional strategies of linking investment to tie-in projects and providing lower labour costs in the form of less costly managerial staff and by introducing their own contract workers" , Chinese companies in Africa (most of them state-owned companies) have been the major players in the trade relations between China and Africa. Once established in Africa, the Chinese companies, supported by Chinese government, have been the major exporters of goods (raw materials) from Africa to China and major importer of manufactured goods from China to Africa.

The Chinese "openness" to Africa only benefit small group and even among this group large part consist of Chinese companies. It does not create conditions for African companies benefit from cooperation between the two parties, since it does not allow the increase of their competitive standards in order to enter in the international (global) market transactions. As summarised by TAYLOR (2006, p. 72), the Sino-African trade is lopsided in favour of Chinese exporters who are flooding African markets with cheap household products of limited quality. Such imports into Africa most certainly help China's trade development but do little to encourage indigenous African manufacturing. Actually, in our opinion, the use of the word "cooperation" to classify the relations between China and Africa seems to be exaggerated since less or almost nothing of "cooperation" can be seen.

On the other hand, like in most trade relationships developed between African countries and non African countries (from Europe, America and Asia),

and looking to the Chinese strategy towards Africa, we are compelled to say that even though using the expression "economic cooperation", the China-Africa relations also can be classified as special aid relationships, far from being economic cooperation. In fact, "China is not very different from the West in how they operate in Africa. They are neither better nor worse than the West".

The analysis of the new wave of relations between China and Africa has produced many circles of understanding and opinions. As pointed out by ALDEN (p. 5), some see China as development partner, others as economic competitor and others as colonizer. In our opinion, looking to some individual actions taken by China conducting its policy towards Africa, the three approaches make sense and the arguments advanced by each are valid. However, it is more desirable that China be seen in Africa only as a development partner since only wearing this feature, engaging in mutual-beneficial (or economic win-win) cooperation as defined on its African policy, it will allow the desired economic development of the continent and, therefore, its integration into the global economic system. For that, it is important that China adopt different approach concerning how it conducts, in practice, its African policy.

4. FINAL CONSIDERATIONS

If today, one accesses the African Union website will see as introductory words "Africa must unite". However, the ideas of Africa unification were not introduced with the establishment of the African Union, they date back the times of the OAU and behind those ideas is the understanding that African countries should act together in all fields, political, socio-cultural and economic, in order to achieve the development and affirmation (or emancipation) of the continent worldwide.

Following this philosophy of "joint efforts", African countries developed their strategy of African economic integration where defined the regional economic communities as the basis for economic integration of the whole continent. By doing so, African countries believed that "integrated economies might also be more attractive to foreign investors and be able to speak with one voice in international trade negotiations". Pursuing the same objectives and acting jointly, Africans believe that they are creating conditions for harmonious development of the continent and the decrease of the existing gap between different countries in terms of economic development.

Aware of these African efforts to integrate continental economies it is desirable that those countries or regions willing to establish ties with the continent to "support" it to pursue its objectives, as the case of China, take into consideration those efforts when dealing with Africa.

As we underlined above, China developed its foreign policy towards Africa recognizing the importance of African economic integration strategy for the development of the continent. Thus, it was expected that putting into practice its policy it takes into consideration the continental strategy. However, the way how China conducts its African policy does not follow this approach. By the contrary, China has privileged bilateral ties with some African countries.

Needless to say this Chinese practice, seeking bilateral agreements with some African countries, is inconsistent with the continental strategy, defining the joint action of African countries, through regional economic communities, as the solution to achieve the desired African economic integration. As a matter of fact, entering in agreements on a bilateral basis with some African countries instead

of regions can have divisive effects in the regions, as occurred in the Southern Africa when the EU entered into Free Trade Area with South Africa in the second half of the 1990s, which “enhanced differences resulting from existing conflicts of interest among the national economies within the region” .

Driven by political principle of “one China”, the bilateral approach followed by China in dealing with Africa on economic matters is not exclusive; it has been the modus operandi even before its integration into the multilateral trade system. However, in relation to Africa and recognizing that the continent is facing many challenges on its road of development , we think that China, willing to contribute for Africa’s development, may consider some exceptions to that principle. China must think that entering into partnership agreements with African regional economic communities is enhancing its relations with Africa and supporting the continent, as a whole, on its road to development and not a small (not to say insignificant) group of countries. As a matter of fact, even entering in bilateral ties with some African countries, China is somehow helping some countries with diplomatic relations with Taiwan. For example, Swaziland is highly dependent on South Africa to be supplied, thus, by entering into trade relations with this later, China is indirectly allowing that Swaziland be well supplied by South African goods.

On the other hand, by entering into agreements with regional economic communities in Africa, China will be helping itself since instead of negotiating more than forty agreements, to complete its presence in the all continent, it will have to negotiate less than ten agreements, what is more easy to manage. Furthermore, it has been argued that bilateral trade agreements are stumbling blocks to the development of the multilateral trade system, thus, by avoiding bilateral agreements with African countries, China will be supporting the multilateral trade system on its efforts for global economic integration.

African countries had proved to be versatile in their aim to find development partner to support them on their struggle to economic integration, and the way how Africa promptly responded to China’s approximation to the continent is a good example of that versatility. At the beginnings of its trade relations with ACP Group through Lomé Convention, the EU was enjoying a positive image among its African partners, but with time it had been losing its credibility, mainly when started do negotiate on a bilateral basis with some African countries causing divisive effects in the local regional integration agreements. Therefore, this can happen to China if it does not review its strategy towards Africa. We believe that the today’s African opening to China is in part due to the loss of credibility by the EU and USA in Africa, given their inconsistent policies with continental strategy. When African countries come to realize that the Chinese policy is not different from those of EU and USA, we also believe that, as happened with China, the African countries will try to find other development partners to support them on their road to continental development, and there are many candidates, as the case of India and Brazil, two emerging economies forming jointly with China the so-called BRIC, or even the old partners, as the case of EU. Actually, the EU and ACP group, where participate many African countries, are now negotiating the revision of the Cotonou Agreement, and at this stage the results of this negotiation are unpredictable, although we believe that EU will take this opportunity to redeem its credibility among its African partners.

Now it is time for China to rethink its strategy on implementing its policy towards Africa. Since its establishment, FOCAC’s Plans of Action have been addressing the commitment of China in strengthening its relations with regional economic communities in Africa but little or nothing has been done, we now

think time has arrived to move from words into action. By doing so, China will not only be supporting the continent on its strategy for economic integration but will also enhancing its credibility among Africans.

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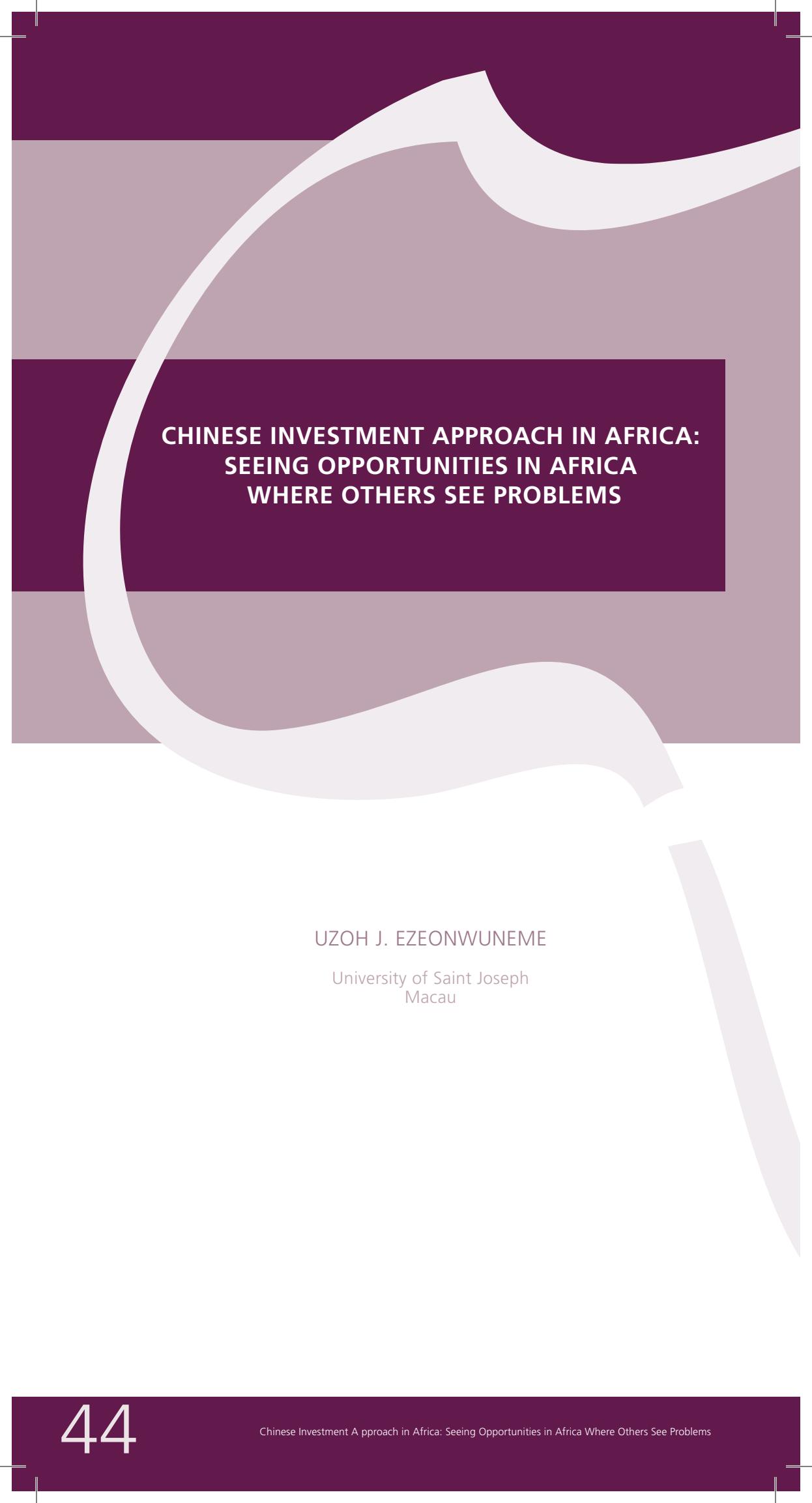
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CHINESE INVESTMENT APPROACH IN AFRICA: SEEING OPPORTUNITIES IN AFRICA WHERE OTHERS SEE PROBLEMS

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ABSTRACT

There have been a lot of conflicting issues peculiar to African continent. These problems are often used to describe Africa. Background of these problems showed some similar causes as resource control and allocation, communal and tribal conflicts, religious alienation, governance tussle. Some of the developed countries experienced similar problems in the past. These problems scare investors from Africa. But the question is, can there be opportunities for investment amidst all these problems. China saw these investment opportunities amidst the developing challenges of the continent and adopted some approaches that rewarded their investments. China investments in Africa started from sourcing of raw material for their home companies, to building of infrastructures and other sectors of the economy as they unravel the stereotyped bad single story of Africans are not their only story. They faulted some approaches by other developed countries and decided to adopt investment approach like non interference in the home countries government, partnership with the home country's companies, buying their way through to secure contracts etc. Expose of more opportunities that are yet to be discovered by the Chinese investors in Africa, is also made. Chinese investment in Africa now grows at a higher rate on daily bases, contrary to the initial stage they are used to only few odd stories about Africa. Worth of mention is some future implications that may result with such huge Chinese investments in Africa, which can be averted with good governance and transparency in contract details. The challenge is more in those African countries with dictators as leaders who will always compromise long term public wellbeing to their own short term benefits.

BACKGROUND OF AFRICAN PROBLEMS.

As a natural society issues of communal conflict, resource control, governance tussle, poor infrastructure, tribal and religious alienations etc can be prevalence. Wars in Congo DR, Darfur - Sudan, and Nigerian Niger Delta militant unrest, were all as a result of resource control and allocation. Nigerian Niger delta unrest was a peaceful protest that later turned violent (New York Times, 2009.). In 2009, the militants laid down their arms. The government started addressing their issues. Countries like Ivory Coast, Kenya, Chad, Burundi, Sierra Leon, and Liberia had conflicts in the past. Now they are enjoying peace and democracy.

Looking at the history of African continent, what come first to mind are slavery, colonization and military rule, military-democracy, and democratic government. The adverse impact of these can never be neglected, on the present economic position of the continent. However, it will be a fallacy to keep on laying blames back to slavery and colonialism.

HISTORY OF AFRICAN PROBLEMS

Traditionally, Africa socio – political system is an extended family based system with strong ties and loyalties to different family levels. The new system of governance of a central government, that directs the affairs of the people without involving the traditional system of governance, led to constant political conflicts (Economic Commission for Africa, 2007). The Igbo's of Nigeria, the Bambara's of Mali, the Zulu's of South Africa, and the Kuris of Somali, are some examples of people that are egalitarian in nature and with this long extended family tie system. (The African guide, 2010). This is why institutions that are built outside these basic values kept on failing. In the words of prolific African writer, Chinua Achebe, in his book *Things Fall Apart; 'the center cannot hold, he has put a knife on the things that held us together and we have fallen apart'* (Angel Fire, 2010).

More still, merging of people with diverse political views and way of life into a nation, in Berlin table is another generational cause of most African political impasse. Political instability is as a result of tribal and religious alienations, which is the major cause of infrastructural collapse and corruption of the leaders. Some of the leaders now embezzle public fund and tend to remain in power for eternity. The likes of Robert Mugabe of Zimbabwe, Omar al Bashir of Sudan and Muammar al- Gaddafi of Libya; find it difficult to relinquish power after many years of dictatorship.

A closer look at these causes of problems in Africa shows that they are transitional problems that will phase out with time. The question is, can there be any investment opportunities in Africa despite all these problems, and which opportunities can these problems bring? No doubt, the above mentioned problems undermine investment. When an investor looks carefully beyond these problems he will see some underlying opportunities.

A BRIEF HISTORY OF SOME DEVELOPED COUNTRIES OF THE WORLD

Let us have a look at other developed countries history. Germany fought two devastating wars in 1945 and 1949, were divided and latter joined in 1990.

Presently, Germany is Europe's largest economy and fourth in the world. (CIA World Fact book, 2010). French revolution and Napoleonic wars of 1789 to 1815 (Carlyle, 2002, Pilbeam, 1989), was a radical political and civil uprising. American revolutionary war of 1775 to 1783 (Jeremy, 2001) lasted almost like Darfur crises – which is one of the longest wars in Africa. Today these countries economies are among the best of the world.

The proactive function of business is to solve societal problem for profit. According to Martin Luther King Jnr 'is our strength that made all of us stand. Strength comes from pain. Is only after knowing pain, that we know our strength.' For me, these problems are the business opportunities in Africa. Private sector is in the economy to assist government in providing for all the needs of the people, for profit. If there is no need, there will be no business. Therefore, where there are more needs, it means there are more opportunities for investment. Chinese investors in Africa understand this.

CHINA INVESTMENTS IN AFRICA

It will be a waste of time enumerating all the natural resources found in Africa. Africa is blessed with a lot of minerals resources like crude oil, natural gas, diamond, copper, gold, metals, aluminum etc; China invested heavily on mineral resources in Africa. From 2005 to 2009 China has invested over 36.4 billion dollars. Which is their highest foreign investment region? The second to Africa is Arab world and their traditional trade partner East Asia (China global investment tracker, 2010) Analysis of Chinese investment in Africa reveals that their investment only centered on raw materials and natural resources; precisely crude oil, energy, and metal . Every African country like the rest of the world has a good chunk of Chinese investment: worthy of note are the following investments:

Year & Month	Country	Sector	Amount in Dollar	Chinese Company
2005 May	Algeria	Power	\$390 million	CNPC
2006 January	Nigeria	Energy	\$2,270 million	CNOOC
2006 May	Angola	Energy	\$690 million	SINOPEC
2006 May	Algeria	Transport	\$6200 million	CITIC and China Railway Construction
2006 September	Ethiopia	Telecom	\$1400 million	ZTE led consortium
2006 October	Egypt	Metals	\$680 million	CITIC
2006 October	Gabon	Metals	\$3000 million	China National Machinery Equipment import and Export

Year & Month	Country	Sector	Amount in Dollar	Chinese Company
2006 November	South Africa	Metals	\$230 million	SINOSTEEL
2007 April	Nigeria	Power	\$1460 million	Gezhouba
2007 September	Congo DR	Metals	\$5000 million	Export Import
2007 September	South Africa	Finance	\$5600 million	ICBC
2007 December	Zimbabwe	Metals	\$100 million	SINOSTEEL
2008 February	Libya	Transport	\$2600 million	China Railway Construction
2008 April	Sudan	Power	\$400 million	Sinhydro-led consortium
2008 April	Zambia	Metals	\$150 million	China Non ferrous
2008 June	Niger	Energy	\$500 million	CNPC
2008 July	Nigeria	Transport	\$1000 million	China Harbour Engineering
2008 July	Congo DR	Metals	\$850 million	China Metallurgical
2008 July	Congo DR	Metals	\$1200 million	China Railway Eng and Sinohydro
2008 July	Congo DR	Metals	\$850 million	Sinohydro
2008 December	Liberia	Metals	\$2600 million	Sinohydro
2009 March	Congo	Real Estate	\$140 million	China National Material (Sinoma)
2009 May	Zambia	Metals	\$450 million	China Non ferrous
2009 July	Zambia	Metals	\$3600 million	Zhonghui Mining
2009 July	Mauritius	Real Estate	\$750 million	Group of Shaanxi companies
2009 August	Cameroun	Power	\$800 million	Sinohydro
2009 August	Sudan	Food	\$160 million	Sinomach
2009 Nigeria	Nigeria	Transport	\$850 million	CCECC
2009 Nigeria	Nigeria	Real Estate	\$230 million	Sinoma

Source: Forbes Business: China widens its reach (2009)

A closer look at the statistics reveals that the first substantive Chinese investment in Africa was in Algeria in 2005. Another investment was in Nigeria, and was after eight months, all in power and energy. The periods of 2006 to 2009,

were the time Nigerian Niger Delta Militants were disturbing with their unrest. In the case of Nigeria, there is now increasing substantive Chinese investment every year to every month, both in the energy sector and infrastructure. When others are seeing Nigeria as unsuitable for investment, Chinese investors are seeing investment opportunities. As democratic process advances with more demand of democracy dividend on the government, the investment portfolio in Nigeria start shifting to infrastructural development like transport. It is no more issue of sourcing of raw material for their home country. The statistics equally shows a shift towards solving the chronic problem of power in African countries, which earns her, best destructive adjective combination, in the foreign media; when talking about foreign investment. If the return on investment is not high, there will not be increase in investment both on different sectors and in more African nations by Chinese investors. The prosperity of investment in the region made Sino Group to expand her investment portfolio from power, metal, real estate, even to foods, as the statistics shows. They saw food investment opportunity in Sudan's over two decade's civil war. If the normal investment excuse of political instability or media caricature of people dying of HIV/AIDS is something to go by, it will be dangerous for China to make such a huge financial investment in South Africa, which always carries the banner headline of HIV/AIDS in Africa.

CRITICAL SUCCESS FACTORS OF CHINESE INVESTMENT IN AFRICA

Chinese policy of non-interference in the home country politics is another critical success factor of their investment in Africa. This argument can be opined to have shown why many African countries has political quagmire, as a result of resource control. If Chinese do not interfere, it means others before them do; and things have been going worst everyday. No wonder 'the case against shell' on environmental degradation in Niger delta Nigeria, is taking another dimension (thecaseagainstshell.com, 2010). Since other Multinational companies in these African countries interfere in the politics of the home government, they indirectly set their own idea of resource contract; which is beneficial to them and some of their corrupt puppets in the governments.

Nevertheless the report by Transparency international put China at the top of the chart for her willingness to pay bribe abroad to get their business through (Transparency international, 2006). However some analyst said that China is shifting her investment paradigm in Africa. The first financing deal of building of 14 story office complex in Dar es salaam, Tanzania, with the World Bank, is a way of being socially responsible; discouraging violation of human rights and environmental standards (The china tracker, 2010).

They partner with home countries to take advantage of the huge African populations. For example, South Africa has 35% investment in Tencent, which is China largest internet firm. Tencent is an active investor in emerging market. (Forbes, 2010) The population, together with the economic power of a target market determines the purchasing power of the market. Goods are naturally costly as a result of high cost of factors of production. Africa has a population close to 998,705,000 million as of mid 2009. Africa is the second largest continent after Asia, both in population and landmass (Population reference bureau, 2009). Chinese investors are not ignorant of this factor. There is continuous partnership with firms in Africa to take advantage of this.

China strategy of producing a lower quality for a lower price option will be

affected in future, when these African governments tighten their regulation. As some African countries are consolidating on democratic process, locally manufactured goods will always take advantage of this rapid growing market of Africa. A case in point is in Nigeria where toothpaste, juice etc manufactured abroad are not allowed to be imported into the country, though the concentrates that is used in the production can be imported.

PROFITABILITY OF AFRICAN INVESTMENT

The rate of return on investment in Africa surpasses the threats of African issues. Many companies that invested in Africa never regretted doing so. What do the opportunities in Africa mean to investors? Kofi Annan, while speaking on the profitability of investment in Africa, said 'Africa's profitability is one of the best kept secrets in today's world economy' (UN, 1999). Africa has the highest rate of return on inward foreign direct investment (FDI), by developing region (UNCTAD, 2008) In 1999 – 2004, African cell phone use grew at annual rate of 58%, while Asia, which is the second largest, grew at 38% annually (Africa Open for business, 2006). Africa has the biggest cell phone growth rate in the world (Mobilemedia, 2006, globalist, 2006). Speaking on the return on investment in Africa, Kim Jaycox, CEO of Emerging Markets Partnership's Africa fund – a private equity firm, said 'the perceived risk is much greater than the real risk, once the risk goes down the return would not be as good'. .

OTHER POSSIBLE INVESTMENT OPPORTUNITIES IN AFRICA

Apart from the popular mineral resources, there are other natural resources like, good and disaster free climatic conditions for plants and human beings. Palm oil, rice, cocoa etc. do well in the most African countries. For instance in south eastern part of Nigeria; palm trees grow on their own and produce so many litters of oil, such that it is a source of income for the people. If we can get such yield without care and mechanization, what will happen when these palm trees are planted deliberately with a genetically modified seed, and in a mechanized way? A rice investment analysis in some West African countries reveals that investment of \$5000/ha will generate a minimum income \$1,100 per year, giving you 22% return. The first crop starts producing 6 months after preparation of the soil, and then produces three times a year, 3.675 tons of processed rice per hectare, per harvest. It will generate minimum profit of \$100/ton (US – Africa LLC, 2001). Herbs and forest are areas with little or no investment in Africa. Most Chinese medicines are herbal which are popular globally in pharmaceutical industry. For example, artesunate is a Chinese drug that is very effective and popular for treating malaria globally; which is made from herb (Crusade against malaria and IPCA laboratory, 2010). These herbs can be found and grown in large quantities in Africa, at a cheaper cost. There are so many other types of herbs that are medicinal which are yet undiscovered in Africa.

There are abundant human resources. The future of African market is not brink. Some population statistics about Africa shows literacy rate, of ages 15 – 24, in 2000 -2004 of female to be 69%, while that of male is 81% of the population. This shows that there is a strong human capital. Unfortunately

Chinese investors have not fully seen this side of investment opportunity in Africa.

Tonnes of fruit and agricultural products waste as a result of lack processing equipment in Africa. So many agricultural products can be process into different forms and exported to countries of lack. According to Mr. Kenneth Nwosu, Executive director of national root crop research institute Umudike Nigeria, 'Nigeria is the world largest producer of cassava, yam tubers and cocoyam; with annual production of 45 million, 32 million, and five million metric Tonnes respectively' According to him Europe represents \$200 million for yam (Next, 2010).

Africans entrepreneurial ability, couple with their unique resilience is a tremendous opportunity for investment. The ingenuity of Africans made them survive and fend for themselves under non performing government. Situation in most African countries is such that the people provide for their needs starting from housing, water, transportation, education, even electricity and security, without subsidy from the government as the taxes are meant to be used. Finding solution to these needs are the investment opportunities. More still, investing in the ability of the Africans is a bigger opportunity. Financing as a venture capitalist will make the people achieve their potential while returning more profit to the investor. A lot of start ups and ideas die with their creators as result of lack of financial back up. This is a unique area of investment now millions of unemployed graduates must engage themselves in start ups in order to survive (Nigeria ministry of education, 2010).

Entertainment industry is becoming a gold mine in Africa. Zulu festival in South Africa is one of the festivals that one cannot attend once. Nollywood – Nigeria film industry has become so popular that is the third largest film industry in the world. The directors, armed with few dollar cameras and lights, with home grown script, produce industry worth over \$250 million annually. (Ted.com 2007, cbc.ca 2009, Wired, 2010),

There are regional integration structures among the African countries. International language of each African nation that was inherited from the colonial masters makes it easier for communication while doing business in Africa. Free movement of goods and people among different regions of Africa is an added advantage for easy synchronization of African markets. Economic community of West African States (ECOWAS), East Africa Community (EAC), South Africa Development Community (SADC), Common Market for Eastern and Southern Africa (COMESA), and NEPAD are different organizations formed for the well being of its member states economically and otherwise. There are other bi lateral and multinational agreement between these organizations and other countries or regions of the world. These are opportunities waiting to be exploited in Africa.

Foreign direct investment in many African countries is encouraged with a lot of incentives, trade liberalizations and obligation waivers by many governments in Africa. Most African countries in pursuit of better performance of some corporations, and better economies, are privatizing either in whole, or part of central government stake in these companies. Most recent example is China Unicom Hk Ltd with new generation consortium buying 75% of Federal government of Nigeria stake in Nitel, for \$2.5billion (all Africa, 2010). This is the country's telecom national carrier. Investing in Africa, when compared to other developed countries will be easier and less demanding. The uniqueness of African market is possibility of replicating what have been obtainable in other countries directly; since most of the services or products may not have been in

African market. Product or service at the declining stage in other economies can be extended, either through franchising, partnership, strategic alliance, joint venture, or direct manufacturing, in Africa.

Impact of globalization can never be under rated. The band wagon effect of globalization is pulling out sleeping economies to what I will call 'global village in the cloud'. African economies are not left out to this trend. More opportunities will be thrown open with this trend. China is today's global production hub; time will come when there will be regional production hubs as a result of competition. Business shifts, as a result of cost of production, which is major force behind the sky rocketing China economy. We will still move further to where factors of production are still at their developmental stages.

Increasing awareness in Africa in recent times will fast forward events more than it is expected. There are so many research institutions, social entrepreneurs, NGOs engaging on discovering the potentials of Africa. The mindset of people about Africa is changing on daily.

Undoubtedly, some of the human vices that draw back development in African are outdated in this age and time. Coming from a charquered history of slavery, colonialism, and military rule, there is still sincere determination to better life in Africa by Africans, though it may not be as fast as it should be. New partnership for African development (NEPAD)

'is a pledge by African leaders, based on a common vision, firm and shared conviction, that they have a pressing duty to eradicate poverty and to place their countries, both individually and collectively, on the path of sustainable growth and development; while participating actively in the world economy and body politic. The program is anchored on the determination of Africans to extricate themselves and the continent from the malaise of underdevelopment and exclusion in a globalizing world.' (NEPAD framework, 2001). Another determined desire to better life in Africa by Africans themselves is in Nigeria where there was a massive rigging of election in 2007 general election. Aggrieved people went to court. The judicially nullified most of the elections, re-ran in some places and outright take over by the rightful winners.

Tourism opportunities cannot be neglected. There are a lot of natural tourist attraction sites that are undeveloped and abounded. These are multi million investment opportunities not yet discovered. A focus on Africa reveals that the negative stories of the country is not their only story. What I call 'media colonialism,' is deforming Africa in a negative perspective by presenting their negative story as their only story, though it may be true, but not their only story. This indirectly subdues the Africans, but targeted more on the people outside the shores of African continent. This is the danger of a single story about a people. It creates a stereotype, presenting people as only a single thing and northing more than that, thereby robbing people of their dignity. (Chimamanda, 2009)

Entertainment industry in Africa is growing with a lot of potentials. Nollywood - Nigeria movie industry that worth \$250 million dollars annually; is the third largest film industry in the world, after Hollywood and Bollywood (Vasagar, 2006. cbc.ca 2009.). The directors armed with a few dollar cameras, lights and home grown script, grows this industry against all odds. Amazing talented Africans show their talent through their creativity in music, rapping with English, indigenous dialects and making them distinct with amazing performance. According to William Shakespeare, 'the good is often interred with their bones', (Shakespeare, 2010) is the case of most unfortunate young talented footballers in Africa. Establishing a football academy is an investment opportunity that worth millions in future. When these young boys are projected to big football

clubs in the world, they will pour in millions of dollar in revenue.

IMPLICATIONS OF CHINESE INVESTMENT IN AFRICA

Undoubtedly there are some implications of Chinese huge investment in Africa and some adverse effect in Africa. Many people are of the opinion of exploitation of the Africa and second economic colonization of the continent. Since they believe in buying their way through to get a contract; there is tendency that in those African countries with dictatorship leader will sell off most vital economic sector of the country to themselves in partnership some Chinese firms which will lead later to taking of undue advantage of the country by Chinese. There is risk of improper and equitable contract terms that will lead to this future economic slavery in African countries. Care must be taken to ensure greater ownership of Africans in any investment by Chinese investors. This can be done by a way of composition and ownership of the firm. Percentage ownership of Africans must be greater than that Chinese in any investment so as to avoid this economic future colonialism that comes with other forms of colonialism.

Chinese investment in Africa should not be discontinued but encouraged. There is a lot of development challenges in Africa. In May 2010, Chinese consortium of banks and Nigeria National Petroleum Corporation (NNPC), signed a contract to build three Greenfield refinery within five years for \$28.3 billion dollars. NNPC will finance 20% of the fund while; Chinese firms will source the remaining 80% of the cost. At the completion of the project, they will manage it for few years to recoup their money. If NNPC (Nigeria) can only afford 20% for five years it means that it would have taken Nigeria 25 years to have such infrastructure, which is very strategic in developing the economy of the country. With this five Greenfield refinery, Nigeria will no longer import petroleum products that accounts for poor economic wellbeing. This petroleum supply will increase foreign revenue; create thousands of jobs and better standard of living. This is a sample of how Chinese investment in Africa will fast track development in Africa.

CONCLUSION

In conclusion, a lot of opportunities are sleeping over there in Africa. It is all about rediscribing oneself. "Your mindset equals to your data set" (Rosling, 2009) when we realize the improvement of the people, that is when we can see opportunities when others are seeing problems. China investment strategy of seeing opportunities in Africa, where others see problems, has given them enormous return for the risk undertaken. Few headlines or odd minutes of a television news, from international media portraying Africa as a 'war torn' countries, people dying of 'HIV/AIDS' or 'countries disfigured by conflicts', is only a stereotype, amidst so many opportunities. (UN, 1999) It is regrettable that in some cases; the worst of all are ruling the best of all in Africa (Bakare, 2010). There is conscious effort to tackle development challenges in Africa. It is only strategic investors will reap the benefits of opportunities in Africa. China investors fully understand that there are other parts of Africa that is not reported in media, that is why they continuously run in to invest, where others are running away.

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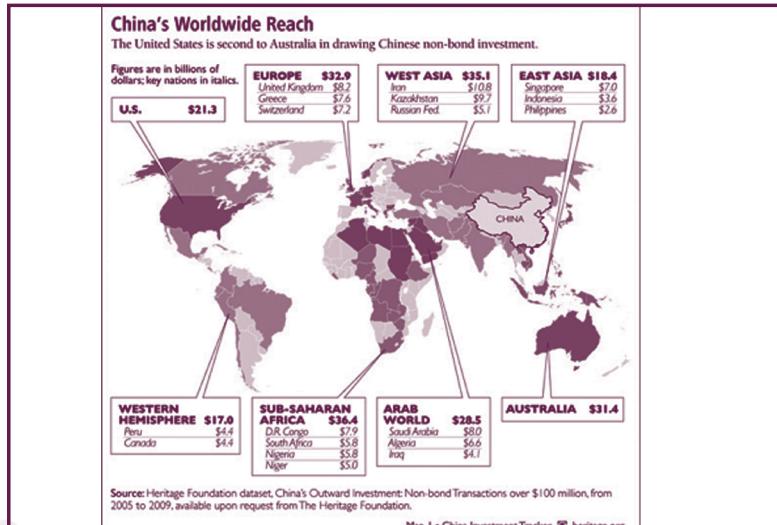
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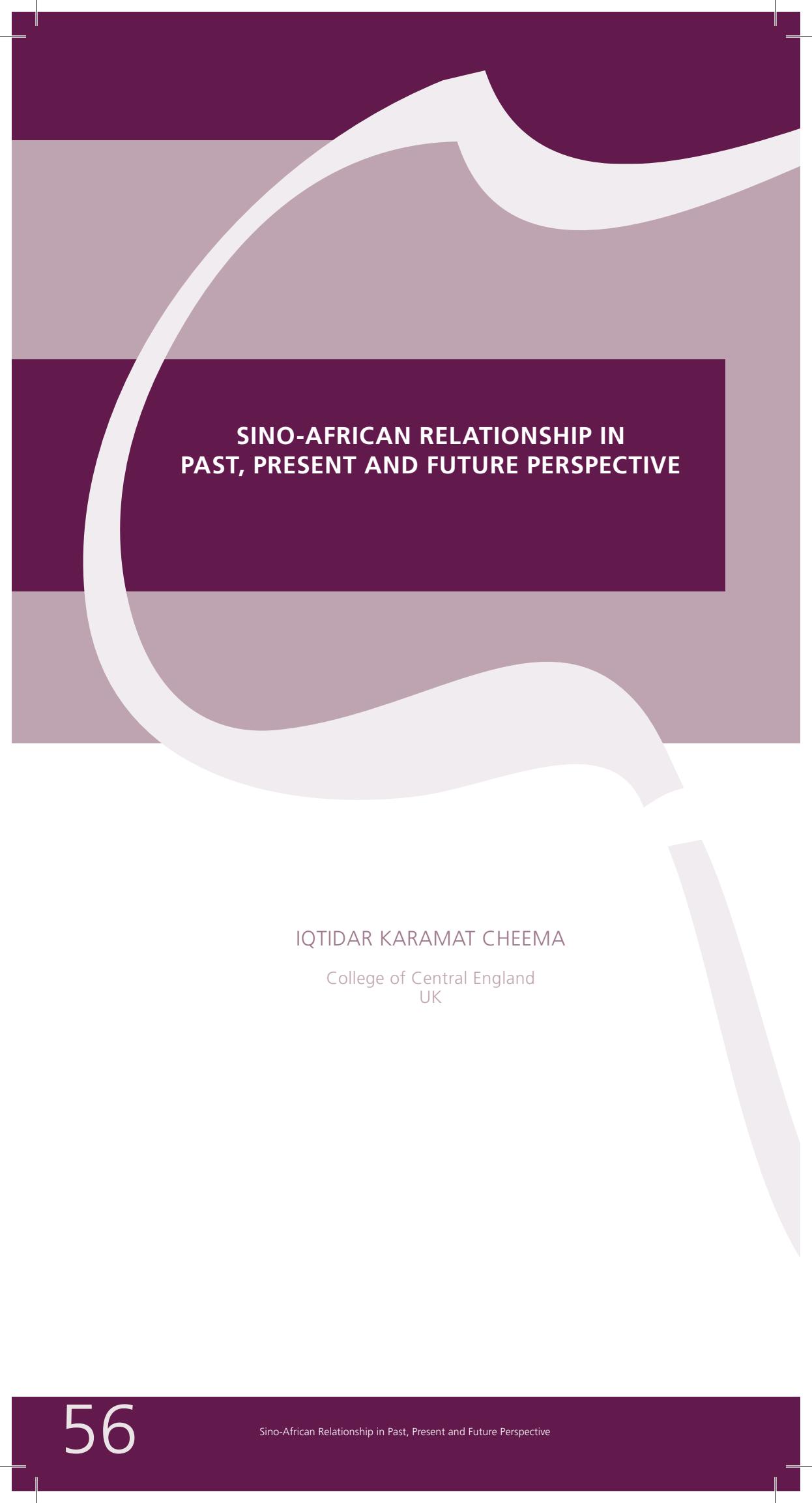
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APPENDIX 1

China world wide reach map



Source: Heritage foundation: china global investment tracker 2010



SINO-AFRICAN RELATIONSHIP IN PAST, PRESENT AND FUTURE PERSPECTIVE

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ABSTRACT

China's emergence as a key player in Africa, the impact of its presence and its challenges to traditional Western pre-eminence in African economies are among the hallmarks of the changing economic scenario in the twenty-first century. Beijing's present-day engagement in Africa is not new: it has its roots in policies pursued since the mid-1950s as well as in earlier historical precedents. Historically, China's role in Africa has hinged on providing diplomatic and moral support to liberation struggles in that continent. It has also provided African countries with great assistance since their independence, with a view to helping in the development of their national economies and the social progress there.

Beijing's relations with Africa during the Cold War were geopolitically motivated and were based on opposing the superpowers and Western dominance. However, in the 1990s, this approach towards Africa changed and the new driving force was economic interests. The interaction between the two sides increased over the years, with Beijing's economic interests being the prime mover. The shift was further enhanced with the rise of African global energy markets. Energy reserves have expanded the horizons of its relations with China, as Beijing initiated energy co-operation and agreements with African countries. On the diplomatic front, Beijing has maintained close political relations with African countries through frequent exchanges of high-level visits. At international forums, both China and the African countries have co-operated and supported each other on the issue of human rights and other important issues. Another component of Beijing's interests in Africa is that China has recognized the significance of the 53 votes that the African Union (AU) maintains in the General Assembly, which holds the key to preserving the "One-China Policy" with regard to the question of Taiwan's independence.

This paper is an attempt to present an overview of Sino–African relations from a historical perspective and will discuss the key areas of co-operation between China and Africa and how the developments in these areas provide the context in which China is developing its relations. The accompanying dynamics of Chinese re-engagement with Africa can be analyzed in three dimensions: the economic perspective; the diplomatic rationale defining the relations; and a broader set of concerns, linked to China’s interests in the region. Finally, the paper will examine the opportunities and challenges facing the prospects of co-operation between China and Africa.

AN HISTORICAL ACCOUNT OF LINKS BETWEEN CHINA AND AFRICA

The history of interaction between China and Africa dates back to ancient times. The early 1400s saw the first Chinese visits to Africa, when the Ming Emperors dispatched ships to the continent’s eastern coast. Following this period of initial contacts, when both parties were relatively powerful in their own spheres of influence, in the eighteenth and nineteenth centuries, both Africa and China underwent periods of brutal subjugation at the hands of Western colonial powers. These colonial experiences helped develop a mistrust amongst both Chinese and Africans towards the intentions of outsiders, particularly Westerners, which lasts to this day. In the seventh century AD, there were direct contacts at sea between China and Africa. In the fifteenth century, the famous Chinese navigator, Admiral Zheng, in command of a fleet, spent quite some time sailing along the east coast of Africa during three of his seven voyages, stopping at Mogadishu, Mozambique, and Zanzibar.¹ This period is usually regarded as the high point in Sino-African exchange. In this era, not only were there mutual visits but also trade of goods as well as scientific and technological exchanges. All these have not only promoted the social and economic development of the two sides, but also contributed enormously to the world’s civilization and progress.

From, the fifteenth century on, Sino–African contacts were forced to a standstill, mainly due to the colonization of the African continent. The founding of the People’s Republic of China in 1949 and the independence of many African countries, after breaking their colonial shackles following the Second World War, prompted the gradual resumption of exchanges between China and Africa.²

Modern African-Chinese relations date back to 1956, when Beijing first established diplomatic relations with Egypt. Since then, it has established diplomatic relations with 46 out of the 53 countries in Africa. China undertook major infrastructure projects as part of the Cold-War competition for influence in the post-colonial developing world. It offered material and moral support to the African national liberation movements and their struggle against imperialism and racism in the 1950s and 1960s.³ Africa, during the Cold War, was seen primarily by Chinese leaders as terrain for ideological competition with the Soviet Union and the US, as well as the remaining European influences.

At the end of 1963, during his famous tour of ten African countries, Premier Zhou Enlai put forward “China’s five guiding principles” in its relations with

African countries, laying a solid foundation for Sino-African friendly co-operation and initiating the drive for China and African countries to forge diplomatic ties. China maintained close political relations with African countries through frequent exchanges of high-level visits. All Chinese leaders, including Mao Zedong, Zhou Enlai, Deng Xiaoping, Jiang Zemin, and Hu Jintao, have attached great importance to strengthening solidarity and co-operation with African countries. Premier Mao Zedong met with the visiting African state leaders many times. Former State President, Jiang Zemin, visited Africa four times. When he visited in 1996, to develop China–Africa relations in all aspects, he advanced a five-point proposal of sincere friendship, equal treatment, common development, solidarity and co-operation, and being oriented to the future. President Hu Jintao visited Africa twice, while he was vice president. So far, more than fifty heads of state and over twenty heads of government from African countries have visited China, making an impressive total of more than 200 visits altogether.⁴

China and African countries have co-operated and supported each other in international affairs. In 1971, the People's Republic of China was restored to its lawful seat in the UN with the support of African countries: among the 76 votes in its favour, 26 were from African countries, accounting for more than one-third. With their support, China has defeated eleven consecutive anti-China motions tabled by Western countries in UN Human Rights sessions and prevented 14 proposals raised by the General Committee before the annual UN General Assembly for Taiwan to "rejoin or participate in the UN" from getting on the formal agenda since 1990. They have also helped China to frustrate attempts by Taiwanese authorities to access international organizations that only sovereign states are entitled to join.⁵ Since the 1990s, with strong support from many African countries and other developing countries, China has foiled ten consecutive times Taiwan's scheme of returning to the UN and defeated successively ten times anti-China proposals put forth by Western countries at the UN conference on human rights.

Over the past 50 years, despite the turbulent international environment and the tremendous changes in their respective countries, China and African countries have consistently deepened their friendship and co-operation. China's renewed interest in Africa was concurrent with a lessening of Western engagement with the continent. While many in the West now consider China a threat, Africans see China mostly as an opportunity. Beijing's only political condition for establishing ties is the "One China" principle—recognizing Taiwan's as an integral part of China. China has successfully wooed away Chad, Liberia, and Senegal from Taiwan since 2003. In an effort to retain allegiance, Taiwan is pumping extra funds into the five African states (Burkina Faso, Malawi, Sao Tome, Principle, and Swaziland) that continue to recognize it.⁶

CHINA AND AFRICA IN THE POST-COLD WAR ERA

China's growing presence is the most important development in Africa since the end of the Cold War. The new China–Africa strategy features co-operation in the political, economic, cultural, and security fields, as well as in international affairs.

TRADE RELATIONS

China and Africa have concluded various trade agreements in the past. The first initiative was taken in the framework of 1955 Bandung conference. This agreement was merely political, but while establishing diplomatic ties with African countries, economic and cultural agreements were also signed by both parties. In 2000, the first large-scale conference on Sino-African trade was held in Beijing. According to China, the purpose of the Sino-African forum was "the construction of an international political and economic order", to explore new avenues for Sino-African co-operation. Over 40 African states with 80 foreign ministers and ministers in charge of international economic co-operation were present.⁷ In addition, 17 international and regional organizations, NGOs, and entrepreneurs were also in attendance to discuss South-South co-operation, the North-South dialogue, debt relief, and Chinese economic co-operation with African states.

Trade between China and Africa has quadrupled since 2000, when it totalled around US \$10 billion. Just five years later, it had increased to US\$28 billion. China is now Africa's third largest commercial partner after the US and France, and the second largest exporter to Africa after France.⁸ Remarkably, Britain, as a former colonial power, has been left behind by China.

China's economic relationship with Africa is based on the drive for resources, new exports markets, and new investment opportunities for Chinese companies. Exports from Africa to China are primarily commodities and oil, while African imports from China consist of manufactured goods, such as industrial products, electrical equipment and machinery, textiles, and household utensils. In recent years, Chinese firms have redoubled their efforts to penetrate the African market. Direct Chinese investment in Africa has reached \$11.25 billion. Over 800 companies are currently operating in Africa, engaged in trade, manufacturing, natural gas exploration, transportation, agriculture, and agricultural processing.⁹ Chinese companies have created employment opportunities in African countries, increasing their tax revenues, introducing practical technologies to these countries, and enhancing the competence of local workers and thus improving their productivity.

While Africa exports natural resources to China, many manufactured goods are being imported from China, even though the African markets for consumer goods is relatively small (the total African population is approximately 800 million). China has been able to find a ready market for its cheap low-quality consumer products and it is trying aggressively to take control of the African markets. The number of Chinese traders has increased since 1960s when they settled in Africa on a large scale. In 1949, there were about 27,000 Chinese in Africa; this number had grown to 130,000 by 1999. Most of the traders have settled in Mauritius, Madagascar, and South Africa.¹⁰ But according to observers, the number of Chinese in West Africa is increasing as well. These traders import Chinese goods that are attractively priced for the African market, where purchasing power is limited. African businessmen too increase their profit margins in the process, by cutting out intermediaries. This is the case in almost all African countries, with the African market being flooded with cheap Chinese

products.

Thus, Africa, with its many potential customers for cheap Chinese products, is a new and interesting market with promising conditions for China. China is focusing its exports on countries with large populations, such as South Africa, Nigeria, Egypt, Morocco, and Algeria. These five countries, with their relatively higher purchasing power by African standards, together account for 58 per cent of African imports from China.¹¹

Chinese investment in Africa is viewed positively by the international community. First, Chinese construction firms have lower costs and can consequently outbid their Western competitors, thus winning contracts for projects. International observers fear that the Chinese way of doing business—paying bribes and attaching no conditions—undermines local efforts to increase transparency and good governance. And the IMF and the World Bank are unable to then put as much pressure on countries because they are supported by China. Finally, Chinese companies are bringing their labor to work in Africa. In areas where unemployment is already high, the effects of migrant Chinese labor will be felt over time. For example, in Angola some domestic suppliers and retailers have had to close down, as resentment against the growing Chinese influence is also being felt.¹²

CHINESE ARMS IN AFRICA

Arms always have been among the Chinese commodities exported to Africa. During the struggle for the independence, China exported arms to fight Western imperialism and later, China supported African states with weapons during the Cold War. An ideology for a new world order lay at the root of these exchanges. And China is still exporting arms to certain countries, although the reason behind these exports has become less idealistic. Selling arms to some African leaders improves bilateral relationships and can enhance Chinese access to oil and natural resources. Some experts say that China is now selling military equipment worldwide and views Africa as a potential market for the sale of military hardware. The involvement of China in African politics also becomes clear when one looks at the military exchanges between China and African states. Over the years, China's defence ministers have paid numerous visits to their African colleagues and vice versa. According to the congressional research service, China's arm sales to Africa between 1996 and 2009 made up 10 per cent of all arms sales to Africa.¹³

China made weapons and ammunitions are plentiful in Africa and China does not usually impose political, human rights, or humanitarian conditions on arm sales, though it has refused to supply UN-sanctioned states such as Ivory Coast. Countries like Sudan and Zimbabwe are reportedly major recipients of Chinese weapons. China does not demonstrate much concern for human rights, which they consider to be a Western concept.

China has supplied the Khartoum government with arms since at least 1985, with transfers between 1985 and 1989 totalling \$50 million.¹⁴ China became Sudan's principal arms supplier around 1994 and remains so to this day. During the Ethiopian-Eritrean war in 1998, it delivered arms to both sides for a total of more than US \$1 billion. China sold the Sudanese government weapons

and helicopters that were used in Darfur to terrorize the local people. In 2000, Zimbabwe delivered 8 tons of Zimbabwean ivory to China in exchange for a shipment of small arms. In 2004, China sold to the Zimbabwean army 12 fighters jets and 100 trucks in a deal worth more than US \$200 million: all this to a country subject to arms embargo by the US and the EU.¹⁵

CHINA'S QUEST FOR ENERGY RESERVES IN AFRICA

The need to find resources is now the driving component in Chinese foreign policy. In 2003, it surpassed Japan as the world's second-largest oil consumer, after the US. Oil and high commodity prices are the key drivers of China's renewed activity. Between 2000 and 2005, China was responsible for about one-quarter of the growth in world oil demand (though it still accounted for less than eight per cent of global consumption). And Chinese demand is forecast to more than double by 2025 to 14.2 million barrels a day from the current 7 million a day, according to the US government's Energy Information Administration.¹⁶ The growing demand is due not only to an expanding economy but also to a generally wealthier society, with its increased demand for consumer goods. This growing need for energy drives China to look for energy markets in its new role as a major oil importer.

Africa possesses around 8 per cent of the world's oil reserves and 11 per cent of world oil production. It is estimated that production in Africa is rising 6 per cent annually. By 2007, it reached 7 million barrels a day and, by 2010, this figure was estimated to become 8 million.¹⁷ New deep-water oil discoveries have been made in the Gulf of Guinea—more specifically, in Nigeria, Angola and Equatorial Guinea. China's demand for energy to feed its booming economy has led it to seek oil supplies from African countries including Sudan, Chad, Nigeria, Angola, Algeria, Gabon, Equatorial Guinea, and the Republic of Congo. In 2005, Chinese companies invested a total of \$175 million in African countries, primarily on oil exploration projects and infrastructure. China already has a significant presence in many African countries, notably Sudan.¹⁸ China buys 64 per cent of Sudan's oil exports. China's main state-controlled energy firm, the China National Petroleum Corporation (CNPC), demonstrated success in Sudan (as part of the greater Nile Petroleum Operating Company) in 1999, that led Beijing to endorse a more aggressive strategy for buying oil production assets.¹⁹

The pace of China's engagement in Africa quickened after 2003 for two reasons. First, President Hu Jintao focused on the urgent need for energy diversification in Beijing; second, an attempt in 2005 by China state-controlled energy firm, China National Offshore Oil Corporations (CNOOC), to gain control of the American firm UNCOCL when a \$18.5 billion bid collapsed under pressure from the US Congress.²⁰ Such failures have persuaded Beijing to take risks in unstable countries it might not otherwise deal with, partly to avoid direct competition with the major multinationals. The episode taught Beijing that it would have to be aggressive in competing for natural resources. In many ways, US protectionism was a wake-up call and motivator for more frenetic activity by Chinese companies. Beijing is outbidding Western contractors on infrastructure projects, while providing soft loans and using political means to increase its competitive advantage in acquiring natural resource assets in Africa. Some 30

per cent of China's crude oil imports now come from Africa, its top suppliers being Angola, 14 per cent; Sudan, 7 per cent; and Congo-Brazzaville, 4.4 per cent. Angola was one of the top crude suppliers of China in 2006, having overtaken Saudi Arabia.²¹

China is discovering harsh crash accounts in competing with Western oil companies in Africa. Competition for resources is driving up "signature bonus payment", in which companies pay upfront for access to fields. This makes firms more dependent on oil prices staying higher for longer and on squeezing returns. China's foreign direct investment in Africa is mostly channelled to resource-rich countries, headed by Angola, Nigeria, South Africa, and Sudan. Fifty per cent of Africa's exports to China are oil, and 85 per cent of African exports to China come from five oil and mineral exporting countries.²²

China's role in Africa in many respects is not dissimilar to the policies of other states in the continent, primarily focused on extraction and diversification of energy and mineral supplies for strategic purposes. In March 2007, Commerce Minister Bo Xilai defended Beijing's record by noting that China's share of Africa's total oil exports in 2006 stood at only 8.7 per cent, compared with 36 per cent for Europe and 33 per cent for the US.²³

Chinese official policy is explicitly non-prescriptive. It stresses the importance of political stability and internally-driven development and promotes a sovereignty-based order. Beijing's non-interventionist approach separates business from politics. However, the terms and practices for China as a donor remain opaque, with indications that strings are indeed attached between aid and business arrangements. The Chinese offer package deals that include infrastructure development or long-term, low-interest loans that Western and Japanese investors, who regard Africa as a risky emerging market, do not offer. The Chinese believe that the conflicts and instability that began in the 1990s are drawing to a close and Africa is ripe for economic takeoff. China's search for natural resources is also part of Beijing's strategy of increasing its diplomatic and economic profile as it asserts itself as an emerging superpower.

CHINA-AFRICA CO-OPERATION: OPPORTUNITIES AND CHALLENGES

Since the end of the Cold War, Sino-African co-operation has witnessed new and positive changes. The fundamental reason for this is that the relationship between the two sides has always been based on sincerity, solidarity, co-operation, and common development. This traditional friendship is of great value to both sides. China is the biggest developing country and Africa contains the largest number of developing countries. In the new era, the common interests between the two sides are increasing and the potential for co-operation is expanding. This recent strengthening of China-Africa relations is not accidental phenomenon: it reflects the reality that Africa needs China, while China needs Africa even more.

If China is to play an increasingly important role in the international arena, it will need to expand co-operation with African countries, in order to engage more actively and constructively in world affairs. First, in order to implement

the New Partnership for Africa's Development (NEPAD), Africa urgently needs international support and assistance. On the question of assistance despite their generous rhetoric, the developed countries have seldom provided their promised assistance, except with harsh political conditions attached, causing great disappointment in the African states. Africa has high expectations from China: they look forward to China's support on questions like prevention of AIDS, promoting access to developed markets for African products, and the WTO talks. Mutual support between China and Africa helps to enhance their respective international standing and play a greater role in the process of world multipolarity.²⁴

As far as comprehensive national power and the strategic importance of Africa are concerned, the continent is home to some of the weakest developing countries. But Africa as a whole plays a unique role for China in international affairs. With 53 members, Africa takes up one-quarter of the UN General Assembly seats. In today's fast changing world, where unipolarity competes with multipolarity, China needs the support of the vast majority of developing countries, including African countries.

Africa is the poorest continent in the world but it has the strongest aspiration towards solidarity and unity. Africa emphasizes the need to speak with one voice in the UN and other international forums, which makes it no insignificant player in world affairs. Africa is also one of the main battlefields for China's central government to fight against the forces advocating the independence of Taiwan. Indeed, Africa is an important ally and partner, which China depends on for its efforts to safeguard world peace, promote democratization in international relations, and fight against Taiwan's bid for independence. The issue of the reunification of Taiwan with China is also an important reason why China is playing more attention to Africa.

Africa is an important partner for China's bid to explore new markets and resources. To address the challenges of economic globalization and strive for sustained development, the Chinese government has encouraged Chinese enterprise to adopt a strategy of "going global", by investing abroad and exploring overseas markets. Economic and trade ties between China and Africa have been good in the past decades, but the scale is not large. China's machinery, electronic products, textile, and other lighter industrial products are cheap but good, and competitive in international markets.²⁵

There is a huge potential for growth of trade between China and Africa. More importantly, in the long run, China is attaching more and more importance to diversification of import of oil and other strategic resources so as to ensure its national economic security and sustained development. Africa is richly endowed with oil resources with proven reserves of over 80 billion barrels.²⁶ As the Western oil companies are rushing to those African states where oil has just been discovered to compete for oil exploration and markets, China should set up a platform for mutually-beneficial co-operation with African countries on an equal footing in areas of resource exploration.

African states are very impressed by the success of China in the reform and opening up of its economy. They are also interested in the Chinese experience in exploring modes of development. The technological know-how and managerial

expertise of Chinese enterprises could be useful reference for Africa. There is, therefore, great potential for co-operation between China and Africa in this area.

Bilateral trade and economic co-operation have gained rapid momentum, with brilliant results. In 2000, two-way trade between China and Africa amounted to US\$ 10.6 billion, surpassing the 10 billion-mark for the first time in history. In 2002, trade increased to US\$12.3 billion. In 2003, there was steady development of China's relations with Africa. The exchange of high-level visits was maintained and economic and trade ties consolidated. According to available statistics, the two way-trade volume between China and Africa soared from only above US\$ 10 million in 1951 to a record-setting US\$40 billion in 2006.²⁷

Co-operation in the field of peace and security has also been strengthened. China has dispatched a total of more than 3000 persons to participate in 12 UN peacekeeping operations, with 838 of them joining 8 UN peacekeeping missions in 2004 alone.²⁸

Since the 1990s, Africa had engaged with countries worldwide, as a result of economic globalization and multiparty democracy. Politically, Africa is divided and Westernized, and economically, most African states have been marginalized. Their international standing and influence have been weakened. Under these circumstances, Africa has become increasingly dependent on the West. However, in Africa's dealing and relations with China, some leaders of the new generation in Africa pursue a policy of pragmatism. On some political questions, however like human rights, they are sympathetic, and on the Taiwan question, however, they cannot resist the temptation of money offered by forces working for Taiwanese independence, going back on the principle of "One China".²⁹ Some of them expect great benefits by asking for assistance beyond China's means and linking economic requests to political trust. Moreover, African states also compete with China on attracting foreign investment. Although there are wide-ranging common interests between the two sides from the political and economic perspectives, the conflict of interest between China and Africa should not be easily forgotten.

To better seize opportunities and mitigate challenges in handling China's policy towards Africa, new thinking and measures have to be explored in light of the spirit of keeping pace with the times and being innovative and creative. With changes in the international situation and in accordance with the expectations of the international community and the requirements of China's modernization drive, major-power diplomacy has to be balanced with policy towards developing countries, including those in Africa. More attention should be paid to research on US infiltration into the political, economic, and military fields in Africa as well as other the diplomatic efforts of major powers.³⁰ However, changes taking place within Africa require that China's policy should be more focused, making the majority of developing countries, including the African states, reliable allies of China. Possible co-operation between China and other major powers in Africa should also be looked into so that Africa becomes another stage for major-power co-operation; positive interaction between major powers in Africa does not necessarily mean the weakening of China's unity and solidarity with most African states.

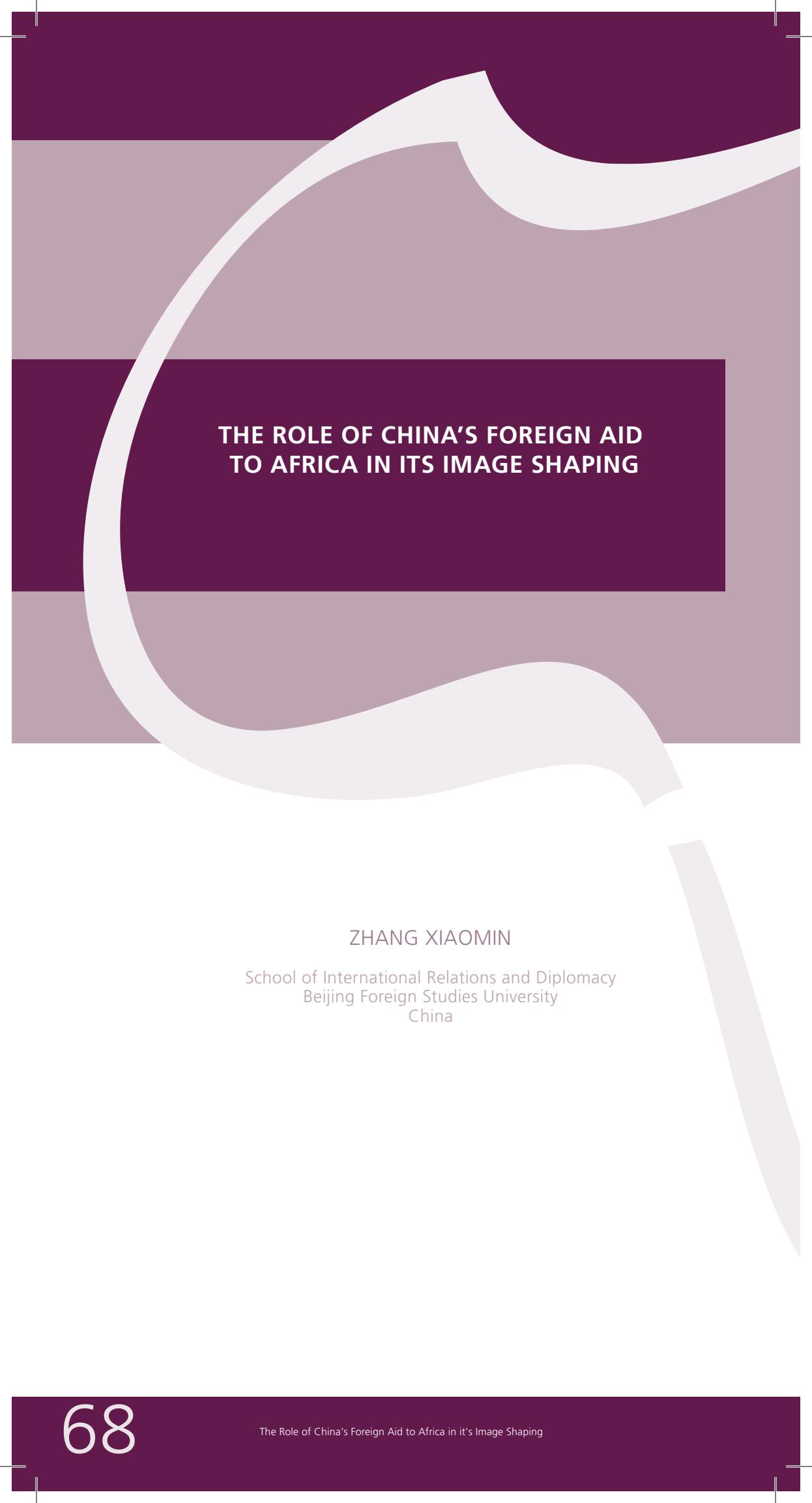
CONCLUSION

A new type of strategic partnership between China and Africa, a continent that has the greatest concentration of developing countries, not only serves the interests of the two sides, it also helps to promote South-South co-operation and the common prosperity of developing countries. Relations between Africa and China have increased over the years and have come to be dominated by China's economic interests. With an annual growth rate of 8-9 per cent, the Chinese economy expanded enormously, and accessing natural resources became a priority. China had to broaden its horizons. Africa, with all its seemingly unlimited natural resources, was an ideal partner. In addition, the African continent as a whole was a potential market for China's low-value manufactured commodities.

China's renewed interest in Africa was concurrent with a lessening of Western engagement with the continent. While many in the West now consider China as a threat, Africans see China mostly as an opportunity. China's engagement in Africa is long term and policymakers will need to plan and manage responses to it. If the West wants to have increased leverage in Africa, the business investment will have to be much more visible and aggressive across the continent. China is a rising strategic power and among many others, will continue to be an important actor on the continent. The challenge is to find openings to engage China to contribute to Africa's development and prosperity.

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THE ROLE OF CHINA'S FOREIGN AID TO AFRICA IN ITS IMAGE SHAPING

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ABSTRACT

The national image is one of the most important sources of soft power of a nation which will exert great influence on its position in the world. While foreign aid, as one important part of the foreign policies of a country, plays a vital role in shaping a nation's image. China has maintained an intimate relationship with Africa, and the persistent development of it has constituted a touchstone for shaping China's national image in the past. In the coming years, Africa will still be a significant arena for China to shape its image during the course of its rising. Till now, China has offered tremendous foreign aid to Africa ever since the founding of the P. R. C. The foreign aid paid off. China has been welcomed in most African countries and earned itself a positive image. However, in recent years there are still some tough challenges facing China in dealing with the relations with African countries, which will inevitably influence its image shaping. China should adjust its foreign aid policy to better shape its image among the world.

Keywords: China, Africa, Foreign Aid Image Shaping

INTRODUCTION

National image is the judgment and evaluation of a particular country especially by the international society. It is one of the most important sources of the soft power of a nation which will exert great influence on its position in the world. Foreign aid is regarded as the external extension of the national interest and the "internal politics" of a country and a tool to pursue a country's foreign policy¹. In this sense, it is also termed as aid diplomacy by some scholars². Foreign aid can play a vital role in shaping a country's national image.

In recent years, China is rising fast and is playing a more and more important role in solving global and regional issues. One of the most important facts is that China is providing tremendous aid without attaching any political or economic strings to the developing countries to promote their economic and social development. In particular, most of China's foreign aid has flowed to African countries, which makes great contribution to their overall development. They all appreciate a lot what China has done. This, as a matter of fact, brings great opportunity for China to improve its image in Africa as well as in the whole world. However, in recent years, China's foreign aid also incurs tough critiques to itself. Some western statesmen, scholars or even common people accuse China of carrying out neocolonialism in Africa, looting resources there, causing African countries to fall deep into debts and encouraging tyranny and corruption in some African countries, which has inevitably casted a great shadow to China's image. This, as a result, will certainly worsen China's image. To be frank, China still remains a negative image in some respects. In the coming years, Africa will still be a significant arena for China to shape its image during the course of its rising. Therefore, China should take the full advantage of its foreign aid to Africa to improve its image in general.

I. CHINA'S FOREIGN AID TO AFRICA

In May 1956, Egypt, the first of all African Countries, officially recognized the People's Republic of China and established diplomatic relations with the new China, pronouncing a new era of the Sino-African relations. Till present, 48 of 53 African countries have established diplomatic relations with China and the friendly Sino-African relationship has undergone successfully more than 50 years.

During these 50 years, China has provided African countries with tremendous aid, which has undergone three periods.

The first period of China's foreign aid to Africa lasted from 1956 to 1978, during which time most of the aid took the form of donations, interest-free loans and project packages³. In this period, China provided aid to 45 African countries, which accounted for 68.18% of the total countries receiving China's

1 Zhou Hong, *Foreign Aid and the International Relations* (Beijing, China Social Science Press, 2002), p. 1.

2 Peter Andrews Poole, "Communist China's Aid Diplomacy", *Asian Survey*, Vol. 6, No. 11 (Nov., 1966), pp622-629. Also see Zhang Qingmin, "Aid Diplomacy", *International Forum*, Vol. 6, 2007, pp. 17-22.

3 The package project meant that China designed and planned the project, shipped the equipment, constructed the machines either whole or in parts, dispatched experts to provide in-field organization, gave instructions, and was responsible for installation and testing. When completed, a project package such as this could function as independent engineering works. The most mentioned was the 1,860-km-long Tanzania-Zambia Railway completed in 1975. See Yuan Wu, *China and Africa* (Beijing, China Intercontinental Press, 2006), p. 35.

aid and 59.69% of the total value of the aid¹. During visits to African countries from December 1963 to February 1964, Premier Zhou Enlai brought forward the "Five Principles" of developing relations with African countries and Arabian countries as well as the "Eight Principles" of economic and technological aid, which marked a great milestone in the history of China's aid to Africa². The climax of China's aid to Africa arose in 1972. Among the 9 countries for the first time beginning to receive China's aid in that year, 8 were African countries³. It is estimated that China provided hundreds of complete packages of project aid in the first period, over 200 of which, after handing over to African countries, retained Chinese technicians to assist in various ways⁴.

The first period of China's foreign aid is characterized by its ideology of internationalism. This can be indicated by Mao Zedong's and Zhou Enlai's remarks more than once on different occasions. When meeting a group of African friends who were visiting Beijing on August 13, 1963, Mao Zedong said, "The whole of Africa is part of a huge tide against imperialism and colonialism. ... The whole Chinese nation is on your side."⁵ In the 1960s, Mao Zedong had frequently received friends and organizations from Africa, proclaiming China's "sincere sympathy and entire support for African people's fight against imperialism and colonialism"⁶. The "Eight Principles" of foreign aid also made it clear that China would provide foreign aid to African countries without attaching any political and economical strings. Meanwhile, the foreign aid was also a tool for China to break through the blockade of capitalism in this period. As Peter Andrews Poole once said, "Foreign aid has been one of the chief forms of contact between the Peking regime and the non-Communist world".⁷ However, the foreign aid

1 Bin Ke, "Choice of Morality or Profit: Changes of China's Foreign Aid", *Xiangchao*, Vol. 8, 2008.

2 The "Five Principles" are: 1. Support the fight of African and Arabian countries against imperialism and colonialism to gain and maintain national independence; 2. Support the policy of African and Arabian countries of peace, neutrality and nonalignment in international affairs. 3. Support African and Arabian countries to realize unification and solidarity in their own ways. 4. Support African and Arabian countries to settle disputes and conflicts between each other through peaceful consultations. 5. Oppose any foreign interference in the internal affairs of African and Arabian countries. The eight principles are: 1. The Chinese government always bases itself on the principle of equality and mutual benefit in providing aid to other countries. It never regards such aid as a kind of unilateral almsgiving but as something mutual; 2. In providing aid to other countries, the Chinese government strictly respects the sovereignty of the recipient countries and never attaches any conditions or asks for any privileges; 3. The Chinese government provides economic aid in the form of interest-free or low-interest loans and extends the time limit for repayment when necessary so as to lighten the burden of the recipient countries as far as possible; 4. In providing aid to other countries, the purpose of the Chinese government is not to make the recipient countries dependent on China but to help them embark step by step on the road to self-reliance and independent economic development; 5. The Chinese government endeavors to help the recipient countries build projects which require low investment but yield quick results, so that the recipient governments may increase their income and accumulate capital; 6. The Chinese government provides the best-quality equipment and materials of its own manufacture at international market prices. If the equipment and material provided by the Chinese government are not up to the agreed specifications and quality, the Chinese government undertakes to replace them; 7. In giving any particular technical assistance, the Chinese government will see to it that the personnel of the recipient country fully master such techniques; 8. The experts dispatched by the Chinese government to help construction in the recipient countries will enjoy the same standard of living as the experts of these countries. See Lu Ting'en & Peng Kunyuan, *General History of Africa: Modern Times* (Shanghai, Huadong Normal University Press, 1995), pp. 675-676.

3 Bin Ke, "Choice of Morality or Profit: Changes of China's Foreign Aid", *Xiangchao*, Vol. 8, 2008.

4 Yuan Wu, *China and Africa* (Beijing, China Intercontinental Press, 2006), p. 50.

5 Yuan Wu, *China and Africa*, p. 35.

6 Xie Yixian ed., *Diplomatic History of China: 1949-1979* (Henan Renmin Press, 1988), pp. 306-307.

7 Peter Andrews Poole, "Communist China's Aid Diplomacy", *Asian Survey*, Vol. 6, No. 11 (Nov., 1966), pp. 622-629.

went far beyond China's financial capability. From 1956 to 1977, China, despite its own economic plight, offered aid amounting to \$2.476 billion to African countries.¹

The second period lasted from 1978 to 1995. In 1978, China began to carry out the economic reform and open-door policy focusing on the economic development, which led to the adjustment of its foreign aid policy. First and most important, the form of aid to African countries changed from unilateral assistance to a form that combined aid with mutually beneficial cooperation for the common development.² That is to say, China began to attach importance to economic gains of both sides instead of political pursues when providing foreign aid. Aid of package projects and technical assistance accounted gradually bigger proportions of the total aid. Besides the government, some Chinese companies and enterprises were also participated in the activities of assistance. The adjustment brought very positive economic results in consolidating the achievements of the old aid projects.³ Second, in comparison with the first period, the total amount of foreign aid was relatively reduced. Third, changes of the geographical distribution of aid recipients took place. The number of African aid recipients slightly dropped. However, they still accounted for 57.8% of all the countries (or regions) receiving China's foreign aid.⁴

The third period lasted from 1995 till present, which marked the great changes of China's foreign aid to African countries. Once again, the African countries became the most important recipients of China's foreign aid. In 1995, China reformed its foreign aid policy and expanded its foreign aid which assumed various forms: free aid, interest-free loans, promissory loans (interest paid by the Chinese government) and joint venture methods for foreign aid projects. In 1996, President Jiang Zemin raised five proposals for all-round China-Africa cooperation for the 21st century when paying a visit to Africa. In 2005, President Hu Jintao put forward five measures to increase foreign aid to other developing countries when attending the summit meeting in memory of the 60th anniversary of the UN. In November 2006, at the Beijing Summit of the Forum on China-Africa Cooperation (FOCAC), President Hu Jintao announced another eight steps for the Sino-African cooperation, including doubling 2006 assistance to Africa by 2009, 3 billion U.S. dollars of preferential loans in next three years and the exemption of more debt owed by poor African countries.⁵

1 Li Anshan, "On the Adjustment and Transformation of China's Africa Policy", *West Asia and Africa*, Vol. 8, 2006, pp. 11-20.

2 When an aid project is completed, the Chinese side may continue follow-up cooperation in different forms: managing, joint running, contracting or leasing, or managing it as a joint venture business. See Yuan Wu, *China and Africa* (Beijing, China Intercontinental Press, 2006), p.51.

3 Yuan Wu, *China and Africa*. p.51.

4 Bin Ke, "Choice of Morality or Profit: Changes of China's Foreign Aid", *Xiangchao*, Vol. 8, 2008.

5 The eight steps are: 1. Double its 2006 assistance to Africa by 2009. 2. Provide 3 billion U.S. dollars of preferential loans and 2 billion U.S. dollars of preferential buyer's credits to Africa in the next three years. 3. Set up a China-Africa development fund which will reach 5 billion U.S. dollars to encourage Chinese companies to invest in Africa and provide support to them. 4. Build a conference centre for the African Union to support African countries in their efforts to strengthen themselves through unity and support the process of African integration. 5. Cancel debt in the form of all the interest-free government loans that matured at the end of 2005 owed by the heavily indebted poor countries and the least developed countries in Africa that have diplomatic relations with China. 6. Further open up China's market to Africa by increasing from 190 to over 440 the number of export items to China receiving zero-tariff treatment from the least developed countries in Africa having diplomatic ties with China. 7. Establish three to five trade and economic cooperation zones in Africa in the next three years. 8. Over the next three years, train 15,000 African professionals; send 100 senior agricultural experts to Africa; set up 10 special agricultural technology demonstration centers in Africa; build

In November 2009, Premier Wen Jiabao announced another eight measures for Sino-African cooperation in the following three years when delivering a speech at the fourth Ministerial Conference of the FOCAC.¹ The eight measures included China's pledge to double its 2006 assistance to Africa by 2009, provide 3 billion U.S. dollars of preferential loans and 2 billion dollars of preferential buyer's credits to Africa, and establish a development fund of 5 billion dollars to encourage Chinese firms to invest in Africa. Debt cancellation was another major measure. Till now, pledges made in 2006 have been fulfilled as planned.² From the first Ministerial Conference of the Forum on China-Africa Cooperation (FOCAC) in 2000 till 2006, China has written off 156 debts totaling as much as 10.5 billion Yuan owed by 31 HIPC and LDCs in Africa which have diplomatic relations with China.³ It is apparent that the third period has witnessed great expansion of China's aid to African countries.

II. THE ACHIEVEMENTS ATTAINED IN CHINA'S IMAGE SHAPING THROUGH FOREIGN AID TO AFRICA

In some sense, a nation's image is the projection and distribution of its influence in the international society. Foreign aid can be carried out in many fields beneficial to the recipients' national welfare and people's livelihood, in which the donor can conduct cooperation with all walks of life of the recipient. Therefore, through foreign aid, the influence of the donor can reach the innermost of the society and the remotest parts of the recipient, which will in turn affect the image shaping of the donor.⁴ For over half a century, China has maintained a close relationship with African countries and has done its utmost to provide great amount of aid to them. It has paid off and earned China a good image of loving peace, promoting development and cooperation, and being responsible. On March 26, 2007, the opinion poll conducted by Times listed China as the one of the five countries most respected by the world.⁵ According to the latest BBC World Service poll, conducted by GlobalScan/PIPA among more

30 hospitals in Africa and provide RMB 300 million of grant for providing artemisinin and building 30 malaria prevention and treatment centers to fight malaria in Africa; dispatch 300 youth volunteers to Africa; build 100 rural schools in Africa; and increase the number of Chinese government scholarships to African students from the current 2000 per year to 4000 per year by 2009.

- 1 The eight measures are as the following. First, China proposes to establish a China-Africa partnership in addressing climate change. Second, China will enhance cooperation with Africa in science and technology. Third, China will help Africa build up financing capacity. Fourth, China will further open up China's market to African products. Fifth, China will further enhance cooperation with Africa in agriculture. Sixth, China will deepen cooperation in medical care and health. Seventh, China will enhance cooperation in human resources development and education. Eighth, China will expand people-to-people and cultural exchanges.
- 2 "Measures announced at Forum on China-Africa Cooperation Beijing Summit all achieved: Chinese commerce minister ",
http://news.xinhuanet.com/english/2009-11/09/content_12416371.htm.
- 3 Yuan Wu, China and Africa. p.28.
- 4 Zhou Hong et al., "Foreign Aid and Development: Example of China as a Receiver", Chinese Journal of European Studies, Vol. 2, 2007.
- 5 "Hearts and Minds", Time, March 26, 2007.
<http://www.time.com/time/magazine/article/0,9171,1599808,00.html>

than 29,000 adults in 28 countries, China's positive ratings remain at 41 percent, while its negative ratings have fallen to 38 percent.¹

When providing aid, China has been adhering to the principle of "equal sovereignty" and "non-interference of the internal affairs", which earned it a political image of mutual trust, equality and amicability. During the period of African national liberation, China upheld the banner of supporting African people's national independence and fought against imperialism, colonialism, hegemonism and racism together with African countries. Unlike some western countries that offer aid to Africa with rigorous political and economic terms, China does not attach any political and economic strings. Meanwhile, China never poses as an almsgiver or views African countries as inferiors. It tries to avoid words like "donor", "aid receiver", "poverty" and "backwardness" as far as Africa is concerned. ²As a return, China has gained African countries' recognition and support for over half a century. African countries reciprocated China's selfless assistance to them. They view China as a reliable "all-weather" friend. In 1971, 76 countries voted for China's resumption of its legal seat in the UN, among which 26 were African countries. After the "June 4th" incident in 1989, African countries stood firmly with China despite the western pressure. Nine leaders of African countries visited China in that year, helping China smash sanctions and isolation by western countries. African countries also support China's stance at the human rights conferences. Since 1990, with the help of African countries, China has frustrated 11 times anti-China proposals by some western countries. Concerning Taiwan issue, most African countries stick firmly to the "one China" principle. When interviewed on October 28, 2009, Kenneth Kaunda, the 85-year old former president of Zambia spoke highly of China's aid. He said, "China is the real friend of Africa."³ At an earlier interview with Xinhua News Agency, Alphaus Vehonga Muheua, president of the National Union of Namibian Workers said, "China is the first country that supports and helps us take up arms and strive for liberation. We regard the country as our brother or sister."⁴

China also attained an economical image of cooperation and win-win through aid to Africa. Nowadays, China has moved from political pursue to economic win-win through foreign aid. Therefore, present China's aid, characterized by combining aid with investment and trade, at a large scale aims at consolidating Sino-African cooperation in many fields so as to promote the overall common development of both sides. China's investment and aid to Africa and trade between the two sides are growing fast. In 2007, the trade volume between China and Africa surpassed that of any European country with Africa. It is estimated by China Ministry of Commerce that the present Sino-African trade contributes

1 "Global Views of United States Improve While Other Countries Decline",
http://www.globescan.com/news_archives/bbc2010_countries/BBC_2010_countries.pdf

2 For example, the DFID of Britain describes Ethiopia as one of the poorest countries in the world. Among its 77million people, over 60 million (81%) live below a poverty line of \$2 a day.
See <http://www.dfid.gov.uk/countries/africa/ethiopia.asp>.
Another one is Kenya. Kenya is one of the poorest countries in Africa (the boldfaced words are marked by the website). About 55% people live below the poverty line.
See <http://www.dfid.gov.uk/countries/africa/kenya.asp>.

3 "China is the real friend of Africa", http://www.cnr.cn/allnews/200910/t20091028_505550320.html.

4 "China to double 2006 assistance to Africa by 2009",
http://news.xinhuanet.com/english/2006-11/04/content_5288851.htm.

20% to the increase of African economy.¹ The all-around economic cooperation between the two sides provides a strong impetus to the development of African economy. Meanwhile, through foreign aid in forms of cooperation, China can also set an example of its way of development which can be of great help to African countries. Just as The World Bank acknowledged, "China's efforts created immediate opportunities for the economy of other developing countries as well as chances for them to acquire abundant knowledge and experience from China in regard to their own development."²

China's aid also indicates that it is willing to assume its international responsibility as a major power.

First, till present, China has assisted African countries in the construction of infrastructures and facilities of a total of more than 900 projects including farms, factories, schools, hospitals, power stations, government office buildings, sport stadiums and railways, which to a great degree has helped African countries to solve their domestic issues and promote their development.³

Second, China is also dedicated to poverty alleviation in Africa. In mid-2005, the China International Poverty Alleviation Center was established to promote international exchanges and collaboration. It has hosted two 15-day training courses which allowed visiting African officials to gain a first-hand understanding of China's poverty reduction programs in some of its poorest provinces.⁴ Since 2000, the Chinese government has written off 156 debts owned by 31 HIPC s and LDCs in Africa that had diplomatic relations with China, a total amount of as much as 10.5 billion RMB Yuan.⁵ And as Premier Wen Jiabao pledged at the Fourth Ministerial-level Meeting of FOCAC in November 2009, the Chinese government would continue to relieve or cancel debts owned by those countries. Meanwhile, the Chinese government also urges the international community, developed countries in particular, to take more substantial actions on the issue of debt reduction and relief for African countries. Moreover,

Third, China has been committed to playing an active role in the security sphere in Africa which is the continent of most frequent armed clashes. To efficiently control the turbulence and clash so as to create conditions indispensable to the development of African countries, China actively participates in the peace-keeping activities in Africa. Starting from 1990, China has participated in 9 peace-keeping activities of the UN in Africa, which accounts for 56% of China's peace-keeping activities.⁶ Three-fourths of current Chinese peacekeeping forces are supporting U. N. missions in Africa (primarily Liberia, Sudan and the

1 "African Bank Shanghai Anniversary: Promote Mutual Benefit and Win-win", <http://www.mofcom.gov.cn/article/i/jyj/l/k/200705/20070504702076.html>.

2 IBRD, China and the WB: Promote the Innovative Partnership, 2007, www.worldbank.org.

3 Yuan Wu, China and Africa (Beijing, China Intercontinental Press, 2006), p.51.

4 Bates Gill, Chin-Hao Huang & J. Stephen Morrison, "Assessing China's Growing Influence in Africa", China Security, http://www.chinasecurity.us/index.php?option=com_content&view=article&id=108

5 Yuan Wu, China and Africa, pp. 27-28.

6 Luo Jianbo & Zhang Xiaomin, "China's African Policy and Its Soft Power", Antepodium (Online Journal of Foreign Affairs), April 2009, www.victoria.ac.nz/atp.

Democratic Republic of the Congo).¹ According to the latest data, China ranks second among the five permanent members of UNSC in respect of military and police contributions to UN peacekeeping operations.²

Ranking of Military and Police Contributions to UN Operations by
the five permanent members of UNSC
Month of Report : May-31-2010

Nº	Country	M	F	Total
1	France	1916	120	2036
2	China	1956	54	2010
3	Russian Federation	363	2	365
4	United Kingdom	244	37	281
5	United States of America	73	10	83

Resources: Contributors to the United Nations peacekeeping operations, Monthly Summary,
http://www.un.org/en/peacekeeping/contributors/2010/mar10_2.pdf

Fourth, China has also done its best to help African nations to tackle public health problems. Till now, China has sent totally more than 4,700 medical workers including medical experts, professionals and others to African nations. China actively participates in the multilateral mechanism such as WHO to enhance African countries' capacity to combat malaria and HIV/AIDS. China also calls on other member states to increase their aid to strengthen public health systems in Africa.

III. CHALLENGES FACING CHINA'S IMAGE SHAPING IN THE COMING YEARS IN PERSPECTIVE OF FOREIGN AID TO AFRICA

The whole world has witnessed China's great contribution to Africa's development and the sound development of Sino-African relations. However, there still exist some blames on or even accusations of China's presence in Africa from the West as well as African countries. According to the survey conducted by GlobalScan from 2005 on, views of China in some long-term tracking countries have continued to decline sharply. In 2005, 49% considered that Chinese influence in the world was mostly positive, but this fell to 39 per cent in 2006 and to 34 per cent in 2009, before remaining steady in 2010.³

The blames or accusations from the West can be summed up as the following.

1 Bates Gill, Chin-Hao Huang & J. Stephen Morrison, "Assessing China's Growing Influence in Africa", China Security.
http://www.chinasecurity.us/index.php?option=com_content&view=article&id=108.

2 But before May 2010, China had been ranking first, see the Monthly Summary of the Ranking of Military and Police Contributions to United Nations Peacekeeping Operations,
<http://www.un.org/en/peacekeeping/contributors/>

3 "Global Views of United States Improve While Other Countries Decline", http://www.globescan.com/news_archives/bbc2010_countries/BBC_2010_countries.pdf.

China is carrying out neo-colonialism in Africa. When visiting Africa in February 2006, Jack Straw, the then Foreign Secretary of Britain, took the lead in criticizing China's actions in Africa as "neo-colonialism". He remarked that what China was doing in Africa was much the same as Britain had done 150 years ago.⁴ Neo-colonialism, the very term which meant the continuous exploitation of the ever-colonized nations by the Western colonial suzerains through political interference and economic manipulation after World War II, is now used by Western countries to adorn the head of China to accuse China of the so-called exploitation and extortion of developing countries.

China's aid to African countries is resources-oriented. Some western scholars believe that China attaches importance to Africa only to obtain the resources that are indispensable to its domestic economy development; China pursues a pragmatic trade policy, which undermines Western interests and impairs the equality and transparency of the international trade.⁵ Some western media even slander China's activity in Africa as "naked transaction" and "pure capitalism".⁶ Richard Dowden, director of the Royal Africa Society says, "A lot of the provincial Chinese governments are active in Africa and they basically just want to grab the minerals and go." Recently the Angola Model of China's resource-backed aid to Africa has ever been widely criticized by the West.⁷

China encourages tyranny and ignores the human rights in Africa. The American Council on Foreign Relations accuses that China takes sides with some "rogue states" or "egregious regimes" such as Sudan and Zimbabwe even when they flagrantly violate human rights, thus it urges America to "compete more vigorously and effectively with China".⁸ Mr. Dowden proclaimed, "The money China is pouring in, despite protestations of good intent, does have potentially malign consequences for the economics and politics of the continent." "Its money does, nonetheless, have political implications – in particular helping to prop up vilified regimes, particularly Sudan, in return for access to oil. Some African rulers who don't like the idea of democracy, the best example being in Angola, can try to use Chinese loans to avoid having to hold elections. The Chinese like dealing with non-democratic governments."⁹ Joshua Eisenman, an Asia expert of American Foreign Policy Council, and Joshua Kurlantzick, a scholar of Carnegie Endowment for International Peace, "kindly" remind that China's Africa policy will complicate the democratic reform and good governance in

4 Tunde Adelakun, "Is the influence of China growing in Nigeria,
" <http://www.helium.com/items/439062-is-the-influence-of-china-growing-in-nigeria>.

5 Michael Klare & Daniel Volman, "America, China & the scramble for Africa's Oil " Review of African Political Economy, No.108, 2006, pp.297-309; Denis M. Tull, "China's Engagement in Africa: Scope, Significance and Consequences " The Journal of Modern African Studies, Vol.44, No.3 2006, pp.459-479.

6 Dianna Games, "Chinese the New Economic Imperialists in Africa," Business Day, February 21, 2005; Lindsey Hilsum, "China's Offer to Africa: Pure Capitalism," New Statesman, July 3, 2006, pp. 23-24.

7 Angola model refers to the resource-backed financing agreements signed between China and African countries. According to the agreement, the Chinese government provides mid-term or long-term loans for African countries to build infrastructure, social or industrial projects, and Chinese contractors must be awarded the infrastructure contract financed by the loan. In exchange for the loans, the African countries concerned will provide China resources or products. Furthermore, in principle no less than 50 percent of the contract's procurement in terms of equipments, materials, technology or services must come from China. Hannah Edinger & Johanna Jansson, China's 'Angola Model' comes to the DRC, the China Monitor, Issue 34. pp.5-10.

8 The American Council on Foreign Relations, More than Humanitarianism: A Strategic U.S. Approach toward Africa, Independent Task Force Report No.56, New York, 2006, pp.40-54.

9 Alan Beattie , "Loans That Could Cost Africa Dear"
<http://www.ft.com/cms/s/0/72f508ca-f137-11db-838b-000b5df10621.html>

Africa and will as a result weaken China's efforts to act as a responsible power in the world arena.¹

China's loans to Africa will cause African countries deep into debts. China has announced on different occasions that it will provide various kinds of loans for African countries, which, some westerners believe, will lead African countries to heavy debts and will as a result imperil the international efforts to relieve or to reduce their debts. In recent years, some academic seminars in the west or even the annual G8 Summit frequently take it as one of the topics to discuss. In September 2006, the Department of Treasury of America labeled China as a "rouge creditor" practicing "opportunistic lending".² In late 2006, the International Monetary Fund warned that China's emergence as an alternative lender was creating a new wave of hidden debt in Africa as it backed its companies' expansion overseas with increasingly aggressive lending.³ In 2007, at the Ministerial meeting before the G8 Summit, Minister of Treasury of Germany accused China of being irresponsible in providing aid and loans to Africa. He warned that it would impact the efforts by western countries in recent years to reduce Africa's debt and incur to Africa a new round of debt crisis.⁴

Some African scholars and citizens also hold negative attitudes towards China. Some of them even launched demonstrations, strikes or even attacks against Chinese enterprises or companies.

On the one hand, Western media are quite popular among African countries, through which western value system and ways of living infiltrate into African culture. Influenced by western culture and public opinion, some Africans develop certain prejudice against and misunderstanding of China's African policy. Most of the new-generation leaders of African countries were educated in western countries, therefore, they identify a great deal with the western notions of democracy, human rights, freedom, and good government. Their political opinions and personal sentiment are quite easily affected by western mainstream media. In African civil society which is more and more active in recent years, China's political system and foreign policy are acutely criticized for ignorance of democracy, human rights and good government, among which Sino-Sudan relation and Sino-Zimbabwe relation is the most criticized.⁵

On the other hand, lack of social responsibility of some Chinese enterprises in Africa casts shadows on China's national image. First, some enterprises ignore safety issues in their operation, which, as a result, leads to frequent accidents. On April 20, 2005, there happened a gas explosion at Chambishi copper mine in Zambia, causing 50 deaths. The accident aroused great concern of the

1 Joshua Eisenman & Joshua Kurlantzick, "China's Africa Strategy" Current History, May 2006, pp.219-224.

2 Michael M. Phillips, "G-7 to Warn China over Costly Loans to Poor Countries," Wall Street Journal, Sept. 15, 2006. From Bates Gill, Chin-Hao Huang & J. Stephen Morrison, "Assessing China's Growing Influence in Africa", China Security. http://www.chinasecurity.us/index.php?option=com_content&view=article&id=108.

3 Alan Beattie & Eoin Callan, "China loans create 'new wave of Africa debt,'" Financial Times, Dec. 7, 2006, <http://www.ft.com/cms/s/640a5986-863a-11db-86d5-0000779e2340.html>.

4 He Wenping, "Several Misunderstandings of the Sino-African Relations", <http://www.crf.org.cn/a/20094505.htm>.

5 Daniel Deng Bul, "Oil Exploration and Exploitation in Northern Upper Nile", in Kwesi Kwaa Prah (ed.), Afro-Chinese Relations: Past, Present and Future, SED Printing Solutions, Cape Town, 2007, pp.175-203. Ali Askouri, "China's Investment in Sudan: Displacing Villages and Destroying Communities", in Firoze Manji & Stephen Marks (eds.), African perspectives on China in Africa, Cape Town, Fahamu-Networks for Social Justice, 2007, pp.71-86.

Zambian government, civil society and the international society as well. Earlier in 2006, anti-Chinese riots broke out among copper-mine workers protesting poor salaries and working conditions at the Chambishi mine. During the 2006 elections, a Zambian presidential candidate named Michael Sata criticized Chinese business practices.¹ The local labor union imputed the accident to the Chinese investor's carelessness.² Second, Chinese enterprises don't provide enough job positions for local people. In Africa the Chinese enterprises employ a large number of Chinese labors in China-invested projects, with which the Africans are greatly dissatisfied.³ In April 2010, in Tuareg, Niger, a hundred women launched stones at mining machinery of the China Nuclear International Uranium Corporation. Tuareg rebels said China enriched a corrupt government at the expense of locals. Nigerien workers denounced conditions at Somina, claiming it resembled "a Chinese colony." They said Nigerien laborers sleep in dorms, separately from Chinese workers. The rooms are located in illegal proximity to open pit uranium mines, and the Nigeriens suffer chronic diarrhea on account of an unsanitary water supply.⁴ Fourth, the Chinese enterprises are blamed for not taking enough efforts to protect environment and resources. China exploits and purchases timber in African countries, helps Sudan build Merowe Dam and plans to build Mpanda Nkuwa Dam in Mozambique. These projects have caused great concern among African countries. Moeletsi Mbeki, deputy chairman of the South African Institute of International Affairs, has called the trade relations between South Africa and China "a replay of the old story of South Africa's trade with Europe."⁵ The African countries and civil society all expect Chinese investors to help them increase job opportunities and develop human resources. But now, "the environmental networks, human rights advocacy groups and a widening array of civil society organizations in Africa have begun to exert a stronger push back."⁶

On the whole, these negative remarks and comments on China's aid to Africa will definitely deteriorate to a large degree the public opinion environment in Africa facing China and influence China's image shaping.

IV. THE WAY OUT: IMPROVEMENTS OF FOREIGN AID TO AFRICA IN THE FUTURE

African countries are China's intimate friends and African continent is an important stage for China to build up its image. Given the above critiques, charges and accusations, it is high time that the Chinese government should

- 1 Melinda Liu, "Pragmatism or Principle?" Newsweek International Edition, Nov. 10, 2006, <http://www.msnbc.msn.com/id/15661052/site/newsweek/page/0/>.
- 2 Jackie Range Zambia's Miners Pay High Price For Copper Boom December 10, 2005, <http://www.minesandcommunities.org/Action/press791.htm>.
- 3 Guillaume Moumouni, "Domestic Transformations and Change in Sino-African Relations", International Politics Quarterly, Vol. 4, 2006, pp. 42-52.
- 4 "China mining company causes unrest in Niger", <http://www.csmonitor.com/World/Africa/2010/0329/China-mining-company-causes-unrest-in-Niger>.
- 5 Paul Mooney "China's African Safari", Yale Global, January 3 2005, <http://yaleglobal.yale.edu/article.print?id=5106>.
- 6 Bates Gill, Chin-Hao Huang & J. Stephen Morrison, "Assessing China's Growing Influence in Africa", China Security. http://www.chinasecurity.us/index.php?option=com_content&view=article&id=108.

figure out ways in the coming years to improve its image when providing aid to African countries. The writer hereby brings forth the following suggestions.

The Chinese government should take full advantage of the effective multilateral aid mechanism. Foreign aid under the multilateral framework has the following advantages. First, multilateral mechanism covers a wide range of fields with its high efficiency and mature management of the aid, thus foreign aid through it can promote to the utmost the development of the recipient. Second, multilateral mechanism can enhance the reconciliation and cooperation among donors so as to soften competition and reduce frictions and conflicts between each other, which, as a result, will promote the mutual understanding and trust among the donors. Third, foreign aid through multilateral mechanism highlights the donor's responsibility of humanitarianism. Under this circumstance, the recipients are more willing to cooperate with the aid institutions, which can result in the replacement of "co-operation relationship" for the "donor-debtor relationship".¹ At an age of global interdependence, international or regional multilateral mechanism constitutes a more and more important channel and platform for a nation to show its national image. Therefore, it is an efficient way for the aid donor to build up its good image, improve its international position and enhance its international influence through active participation in the multilateral mechanism. In the coming years, to attain a more positive image, China should cooperate more closely with the UN, WB, IMF, EU and AU as far as foreign aid is concerned.

The Chinese government should enhance cooperation with other nations providing aid to Africa. In recent years, more and more countries have begun to expand their engagement in Africa. Take the United States of America for example, its expanding engagement in Africa reflect its rising interests in the African continent. However, "up to now, the United States and China have each been absorbed largely in their separate, respective separate, respective spheres, enlarging their presence and activities in Africa with little systematic or substantive reference to the other."² As is mentioned above, foreign aid is the extension of the national interest. Inevitably, there exist different value systems and viewpoints on human rights as well as other issues which will result in conflicts of interests between China and western donors when providing aid to the same recipient. However, there are also shared interests among them. Cooperation between China and western donors can dismiss misunderstanding or prejudice against China. China needs to state clearly to the world that, although there exists certain competition with other powers in Africa, China does not bear any intention or have the ability to crowd western countries out of African market. China can conduct substantive talks with western powers in respect of crisis in Africa (for instance, Darfur issue in Sudan), and coordinate with them in aspects of oil and resources. This kind of cooperation not only profits China and western countries but also constitutes a great boon to the peace and development of Africa. What's more, global issues concerning Africa also require efforts of each and every nation of the world, in particular the main big powers including China. This, to a certain degree, can designate China's

1 Charles R. Frank, Jr. and Mary Baird, "Foreign Aid: Its Speckled Past and Future Prospects", International Organization, Vol. 29, No. 1 (Winter, 1975), p. 158; Hugh Tinker, "The Name and Nature of Foreign Aid", International Affairs, Vol. 35, No. 1 (Jan., 1959), p. 47.

2 Bates Gill, Chin-Hao Huang & J. Stephen Morrison, "Assessing China's Growing Influence in Africa", China Security.
http://www.chinasecurity.us/index.php?option=com_content&view=article&id=108.

image of being responsible in the world as a rising power.

On the basis of the above two approaches, China should enhance to some degree the transparency of its aid. In fact, the Western concerns over China's loans to Africa mostly stems from the fact that at the present time there is no systematic sharing of data by Chinese ministries with other international and bilateral donors.¹ Under the framework of multilateral and bilateral mechanism, China can relieve those concerns by the international society and will better shape its image in this respect.

The Chinese government should figure out ways to enhance understanding and recognition of the positive effect of China's foreign aid by all walks of life in African countries. On the one hand, China should conduct more cooperation with those at non-governmental levels when offering aid. China, for a long time, has placed great emphasis on official cooperation with African countries while ignored the grassroots' perception of China. China's influence has not reached far into the African NGOs, religious organizations and the civil society. China should make friends not only with African governments but also African people, which can be achieved by the following measures. First, China can sponsor influential public figures from African civil society and NGOs to attend meetings, seminars and trainings in China. They can perceive in person China's fast development and friendly Sino-African relations. Second, China should encourage Chinese scholars, reporters and NGOs to go to Africa. China's African Policy Paper clearly designates, "In reply to the urgent demand of African countries for humanitarian aid, China encourages the Red Cross and other NGOs to conduct exchange and cooperation with those of African countries"; "encourage and guide civil exchanges between the two sides, especially exchanges between the youth and women, so as to enhance mutual understanding, mutual trust and cooperation."² Meanwhile, as Gill Bates pointed out, China in the future needs to "take into greater account the exceptional religiosity of African societies and develop an official approach for engaging religious leaderships", for these "religious organizations provide a broad and widening range of social services, especially in education and health, have extensive linkages with their counterparts outside Africa, and have a strong public voice on matters of public debate."³ On the other hand, in the coming years, China should make sure that the common people can really enjoy the benefits from the aid it offers. Meanwhile, China should also expand its aid to some sub-regions, for to some degree, those regions are of greater importance for China to shape its positive image.

The Chinese government should lay down rules to regulate conducts of its enterprises and companies in Africa. Frankly speaking, the conducts of certain enterprises or companies do not say anything of China's policy towards Africa. However, China's largest economic and business activities in Africa are dominated by state-owned and/or state-influenced companies.⁴ Their misconducts easily and inevitably lead to misinterpretation of China's African policy and disparagement

1 Bates Gill, Chin-Hao Huang & J. Stephen Morrison, "Assessing China's Growing Influence in Africa", *China Security*, http://www.chinasecurity.us/index.php?option=com_content&view=article&id=108

2 "China's Africa Policy", *People Daily*, Jan. 13, 2006.

3 Bates Gill, Chin-Hao Huang & J. Stephen Morrison, "Assessing China's Growing Influence in Africa", *China Security*, http://www.chinasecurity.us/index.php?option=com_content&view=article&id=108

4 Bates Gill, Chin-Hao Huang & J. Stephen Morrison, "Assessing China's Growing Influence in Africa", *China Security*, http://www.chinasecurity.us/index.php?option=com_content&view=article&id=108

of China by the world. Therefore, those enterprises and companies should improve their conducts. First, the Chinese government should encourage them to lay store by local people's livelihood in the course of resources development. They should, to manifest their morality and responsibility, contribute to local environment protection, education, health and sanitation. Second, the Chinese government should formulate laws and regulations to supervise and restrict conducts of some enterprises. Third, the Chinese government should encourage enterprises to provide more job opportunities for local people. As some reports say, African people frequently complain that the flood of Chinese cheap products has caused the rise of unemployment in some countries, the enterprises employ most Chinese instead of local Africans, and local people are not equally treated with Chinese even if they are employed.

As to the issues concerning democracy and human rights, the Chinese government should enhance multi-level dialogues with western and African countries. It is excellent that China has been pursuing a policy of offering aid without attaching any political and economic strings, which, as we know, is greatly hailed by African countries. However, to avoid leaving an impression of encouraging tyranny, the Chinese government should make sure that its aid is not abused by the recipient government to infringe democracy and human rights. Frankly speaking, it is really a tough job at present to smooth over ideological differences between each other in the short term. However, it is still possible for China, through regular and multi-level dialogues with the West and African countries, to convey such information to them that democracy, good governance freedom, equality and protection of human rights are also the things that China desires. China strives to support African countries to achieve those goals despite the different political and economic systems.

The Chinese government should offer more humanitarian aid to African countries which are ridden by social disorder, frequent disasters, extreme poverty, serious epidemics and rising crimes. It is an international morality and responsibility for the whole world to provide humanitarian assistance to those countries. Meanwhile, humanitarian aid can effectively improve a nation's image and reputation in a relatively short period. Although humanitarian aid is per se nonpolitical, it can indeed perform a political function in a political context.¹

The Chinese government should increase international propaganda of its foreign aid so as to improve its national image. It is true that facts speak louder than eloquence. However, at the very era of information, only facts without propaganda can't meet the demand of the reality of the international politics and diplomatic field. China needs to frame timing and meticulous propaganda maneuver to publicize the essence of its foreign aid. Moreover, China should exorcise those rootless malicious slanders from the international society and African countries. In addition, China should also carry out dialogues and communications with them through both official and civil channels to relieve as much as possible their intrinsic prejudice against China.

And last, the Chinese government should offer aid in conform to its own capability. China is still a developing country whose national income per capita, amount to 4% of that of America, 5% Japan and 10% South Korea, only ranks 110 among all the countries of the world. According to the international standard of poverty (less than 1 dollar per day), there are still 135 million people living in absolute poverty, which accounts for 10.4% of the total population of

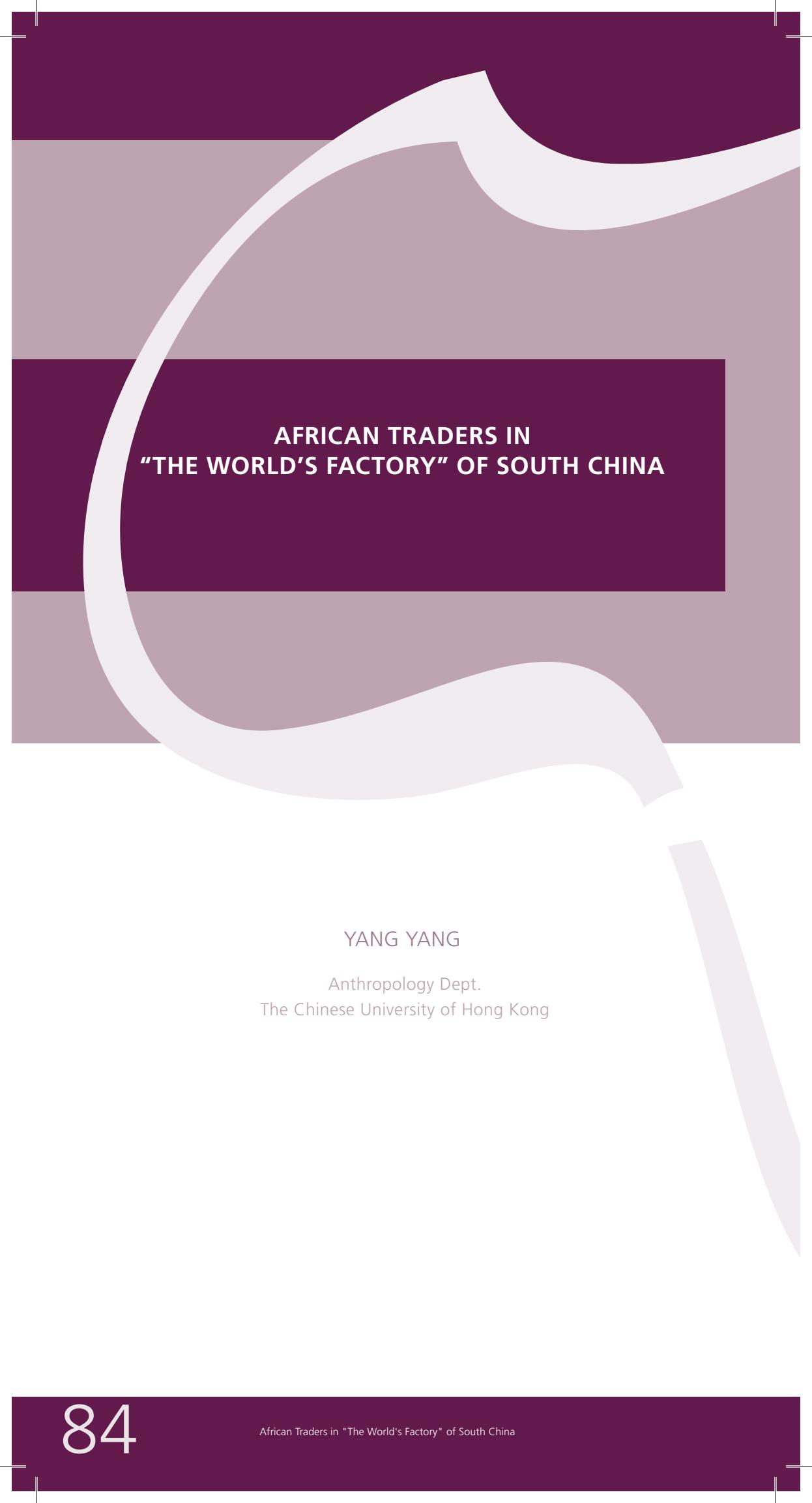
¹ Hans Morgenthau, "A Political Theory of Foreign Aid", *The American Political Science Review*, Vol. 56, No. 2 (Jun., 1962), p. 301.

China and 7.8% of the people of the whole world living in absolute poverty.¹ Foreign aid beyond its ability will only lead to rising of domestic social problems, which will weaken its ability to build national image in the end.

V. CONCLUSION

As a traditional strategic ally and an increasingly important partner, Africa constitutes a key platform for China to expand its international influence and shape a positive image in the course of China's peaceful rising. China's foreign aid to African countries demonstrates its global responsibility. Historically, China shaped a successful positive image through great amount of foreign aid to African countries and achieved its political gains. In the new era, China still keeps offering aid to Africa which, to a large degree, has promoted Africa's development. However, China also is confronted with critiques and accusations of its aid from both westerners and some African people. It is high time for China to figure out ways to dismiss those blames.

¹ Jiang Yong, "Challenges Posed by Great Power Responsibility", *Outlook Weekly*, Vol. 41, 2007.



AFRICAN TRADERS IN "THE WORLD'S FACTORY" OF SOUTH CHINA

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ABSTRACT

Over the past decade, tens of thousands of African traders have arrived at Guangzhou, the center of China's "world factory" and a neighboring city of Hong Kong. The traders mainly come from Nigeria, Ghana, Mali, Cameroon, Senegal, Kenya, and Tanzania. They congregate around the major textile and electronic markets in Sanyuanli near the old railway station and purchase products to ship back home: cheap counterfeit Nike shoes, Adidas T-shirts, Sony audio sets, and brand name mobile phones, etc. The transportation of the goods to Africa often involves smuggling and bribing customs officials back home. In the context of China, many traders also often find their ways to overstay the visa to gain maximum profit before going back. The research aims to explore the following questions: why are there so many African traders in Guangzhou? What are their stories? How do these people and local Chinese as well as the Chinese government play their roles in this market? What are the socio-economic impacts that the traders have brought to Guangzhou and how is it reflecting a grassroots market that is being globalized from a lower strata of the world economy?

INTRODUCTION

Most of Africans gather in large numbers at two places in China: Yiwu in the east and Guangzhou in the south. The Guangzhou African population is more than ten times of that in Yiwu, because it is right next to the finance center Hong Kong and Guangzhou itself is the center of Pearl River Delta "world factory" – harboring the known manufacture industry.

The Guangdong district has a very short history of becoming rich and prosperous. After opening up in 1978 Economic Reform, China not only started to embrace a more liberal market economy but also had to face a lot of new social problems and phenomenon: the widening gap between the more developed coastal provinces and the poorer inland areas, expansion of criminal activities and informal economy, vast emergence of small entrepreneurship, the internal flow of migrant labor between rural and urban areas...and in the recent decade, an influx of African traders in Guangzhou of South China. It is a new challenge to the ethnic homogeneity and economic structure of the local community. Like the saying a coin has two sides: on one hand, it brings in economic opportunities as well as makes Guangzhou a future global city; on the other hand, there is cultural shock and social panic when Chinese people deal with such a large group of Africans.

Historically, there have been connections between China and African countries for hundreds of years and it is the post-war history of Sino-Africa relation that is most closely related to this paper. The Sino-Africa trade relation was established as soon as the PRC government was founded. From 1949 to 1977, the relation was basically political in its nature. China assisted Africa and Latin America with food, money, living necessities, and military training to fight against colonialism and hegemony (Li, 2008: 23-25). After 1978 Reform, more emphasis has been put on economic cooperation: China seeks from African countries raw materials such as crude oil, iron, cotton, diamonds; Africa imports from China electrical appliances, textiles, machineries, chemicals and so on (Ampiah & Naidu, 2008: 7-8; Li, 2008: 31). Under this grand theme of mutual economic cooperation and development, there are two keywords that are closely related to my study of African traders in Guangzhou: Nigeria and textile industry.

The largest population of African traders in Guangzhou is Nigerian. The country Nigeria is the most populous state in Africa and also is becoming the richest other than South Africa thanks to its oilfields and booming economic investment. On one hand, it has a commodity-based economy with an expanding market for Chinese products ever since Nigeria established diplomatic relation with China in 1971. The Nigerian market highly relies on imports, which earns itself a name called cargo economy: "ships laden with containers docking at Nigeria's ports and returning almost empty to their places of origin, as Nigeria does not have much to export" (Ogunsano, 2008: 198). On the other hand, the country has a weak democracy, where individual life and property could not be ensured with safety due to a highly corrupted government (Alden, 2007: 68; Ogunsano, 2008: 196). Its socio-political environment is a harsh challenge for the growth of its own manufacturing industry. Such situation probably has increased the local market's dependency on foreign imported goods. There has been vast increase of Chinese immigrants and companies in Nigeria selling China-made products.

The other key word is textile. There has been an intense debate over importing textile products from China to Nigeria, as the collapse of Nigerian baby industries, especially of textile, was blamed on the influx of cheap products

from China. Nigerian local companies already were in harsh environment lack of basic infrastructure and they soon became incompetent against the world factories of China (Ogunsanwo, 2008: 201). Such issue became politically sensitive as increasing numbers of Nigerian clothing factories closed down and hundreds of thousands of local textile workers lost their job (Taylor, 2008: 63; Alden, 2007: 79; Ogunsanwo, 2008: 201). By 2005, more than 80 per cent of Nigeria's textile factories were shut down because of the fierce competition and both the government and society had resentment towards Chinese immigrants (Alden, 2007: 81). It was also the same year when the largest African trader population was found in Southern China and Hong Kong in the last decades. Similar phenomenon of Chinese products hurting local manufacturers was found in some other parts of Africa as well, such as Zimbabwe and Kenya (Carmody 1998; Geda and Meskel 2008; Kamau et al 2009; Morris 2006).

Besides the macro China-Africa trade, there is also the micro level of the trade between the two continents through the individual African traders in Guangzhou. They are a group of traders who come to the world factory and benefit from the action of connecting the largest producer to the one of the fastest expanding market which could not be satisfied by its industry. This paper uses ethnographic examples to link to the concept of "globalization from below" or the "low-end globalization", meaning "the transnational flow of people and goods involving relatively small amounts of capital and informal, sometimes quasi-legal or illegal transactions, commonly associated with the developing world" (Mathews 2007: 170). I argue that the African traders in south China represent a globalization from below where the social grassroots are able to actively participate into the transnational economy and at the same time these people encounter many problems with local political and social environment.

ETHNOGRAPHY

I conducted research mostly in the Sanyuanli area near the old railway station of Guangzhou. As you enter the market, you will probably be amazed at how busy the whole district is. Hundreds of small clothing shops serve as an outlet of private textile factories located within Guangdong provinces. African traders come to these shops and buy individual pieces at the cost of 2 or 3 US dollars. Many will also order for several hundred copies of a certain piece of shirt. Occasionally, you can see mobile phone shops selling counterfeit phones or electronic shops selling audio equipment and solar boards. At the walking path just outside these shops, bulks and bulks of goods are waiting to be sent to Nigeria and Ghana. They are taken care of by the logistics companies open by well-off Nigerian and Ghanaian traders who are able to stay in China for years. Around the street corner, there are a dozen of African restaurants, barber store, telecom stalls for international calls, African DVD shop, and budget hotels. There are also many "clothes shop" that are actually underground banks at the back of the stores that provide illegal money exchange and remittance services, which are banking services that are out of the highly regulated Chinese banking system. The whole area is designed to facilitate the business activities for African traders.

Here you can find people from all walks of life and many cultural backgrounds: some are male, some are female; some are Nigerians, some are Chinese, some are Cameroonian; Some are factories owners, some are shop assistants, some are short-term traders/visitors; some are wealthy, some are poor; some are legal

businessmen, some are illegal migrants. In the market of Sanyuanli, I get to know a dozen of Nigerian and Ghanaian traders as well as some Chinese factory owners. In the following part of the paper, I tell the stories of two traders I know during fieldwork to illustrate the global trade through these individuals.

JOE AND HIS CHINESE WIFE XU

Joe is a typical successful and localized Nigerian who now has his own clothing shop and a family in Guangzhou with a Chinese wife. It has been more than two years since he came to China and now he is fluent in Mandarin without taking any language course. He is very hard working in running back and forth to Shijing market for Tiaolou Huo¹ and also in building extensive business network by offering helps to other short-term Nigerian traders to contact with certain clothing factories or to settle down in the city. On the other hand, Joe is extremely cautious dealing with any non-business person like me. I knew him through his wife Xu, who is a migrant worker from northeastern China and a friend of the Wong couple. She introduced me to her Nigerian husband and briefly mentioned I am working on a research on China-Africa trade. With a suspicious look at me, Joe switched to English and had the following conversation with me:

Joe: "What do you want?"
Me: "I wonder when you came to China and how you like it here."
Joe: "Why do you want to know?"
Me: "Because I am studying China-Africa trade, as your wife said."
Joe: "Are you going to tell anybody else what I say?"
Me: "No, I am just writing a paper for my school back in Hong Kong."
Joe: "So why did you come to here from Hong Kong?"
Me: "Because this area has not been studied much before and I am interested in it."
Joe: "So why just ask me? Why don't you talk to the others?"

Joe and many other African shop owners thought I was either an undercover police or a government official trying to find out legal holes in their business and then arrest them. They tend to avoid uncovering their identity, background, stories, and even language. I learned some Igbo from internet and tried to say a few basic sentences with Nigerians, but everyone was shocked and asked me with an angry tone, "Why do you speak my language? Who taught you?" I realized that most Nigerian traders and shop owners do not want Chinese to understand their language, what they say to other Nigerians, what they will do and etc. I know from the Wong couples that many Africans have legal problems with visa or business. There is a police station in Sanyuanli right opposite the Tangqi Building and every now and then the police will come into streets and markets to investigate African traders' passports to see if they have valid visa.¹

Joe's harsh attitude towards me changed when I finally said to him, "it is obvious now that you don't trust me." Surprisingly, he paused for a second and then invited me into his shop. There he and his friend started to complain about the Chinese government. "There are millions of Chinese in my country but we

¹ Tiaolou Huo, "jump-off-the-building products", means textile products that are out of fashion and are sold at a very low price closed to their base cost to anyone who wants them

don't give them troubles. They work and live just as we do and earn so much money. Here in Guangzhou the Chinese give us troubles. They like troubles." By troubles, they mean visa problems. There is much less difficulty for Chinese traders to migrate to Lagos and other Nigerian cities than for Nigerians to obtain and renew visa to China. Joe said, "My friend had his business going here and had to overstay to finish the deal. We need to pay back money we borrowed from families. But he got caught by the police and they forced him to contact families to pay for his repatriate flight home." Williams kept silent until this point. He said, "The visa renewal fee is so high! It is from 10,000 to 12,000RMB to pay the travel agent in China." Why do they go through the travel agency instead of immigration office? "There is no way to contact the government directly for visa application. We have to listen to the travel agents." The price of China visa is manipulated by travel agents who have connection with the government, because there is no immigration department that is especially in charge of the service. The basic reason is that China is not a immigrant country, so it does not expect to accept a large group of foreigners to settle down on its land.

Joe has fewer problems with his visa now that he has married a Chinese woman. However, he still needs to undergo a monitored period where he slowly gain extended visa every six months, which ensure that his marriage relation with Chinese wife is genuine. Every two years, he would visit his family in Nigerian for Christmas and hopefully he could bring his wife sometime in future too. He does not feel home in Guangzhou even though he has a small home here. The story of Joe is a typical for many localized Nigerian traders, who struggle in the harsh political harsh environment of China and trying to establish a sustaining business and a home. Many of them are keen to give helps to other traders who only stay for a short time in China, for example helping them with accommodation, food, business information, transportation and etc. They are also more inclined to tell true stories compared to the latter group because of their valid visa and local connections, which is why I have mostly contacted localized African traders up to now.

ATA

Ata is from Ghana and I met him at Chungking Mansions. He had done business in Guangzhou and Hong Kong for 2 years now. He trades mainly garment and mobile phones which are produced in China. We had an interesting conversation about whether it is possible only doing the trade in legal channels, which means no visa problem and smuggling and bribery. I told him about my interview with a rich Ghanaian logistics company boss in Guangzhou, who said he never profited from helping others to smuggle. Ata said he disagreed with that person on the legality of importing goods to Ghana. He bluntly pointed out that it would be quite impossible to feed a logistics company without being involved in with smuggling goods. "Do you know Togo?" He smiled and said, "It is such a small country next to Ghana, but it is totally open to business...no tax, no control...You do pay off the people at the Customs of course. The price varies depends on trade seasons. Once you get into Togo, the distance to Ghana is just like from China to Hong Kong."

Then I asked Ata what he felt about the native Ghanaian factories were defeated by the Chinese imports, which he himself participated in trading and had benefited from. Instead of showing any sign of embarrassment or guilt, Ata

told me that he felt that he was helping his country and people to achieve better living standards.

"What I buy and sell are the good stuff of higher quality than Chinese products. I know what the people in my country want. I know the market. I sell them good products. Of course, they are also made in China. The garments for example, I order them from Guangzhou. I asked them to make the clothes better which I charge higher too.

We Ghanaians are sick of dump goods from everywhere else for many years: low quality goods and second-hand clothing. Here in Hong Kong and China, you have laundry machine, but back in my country people use hands to wash clothes. As we wash the low quality clothes, we see colors change and cloth tears easily. What the local factories produce are expensive and they cannot compete with Chinese garments of the same quality. So what I do is to mix the low quality with high quality garments. When people come to buy from me, I tell them which products are better. If they cannot afford, then they could get the cheaper stuffs. It's their choice."

Ata explain with a "neoliberal discourse". Why should the African people, being the primary consumers, buy more expensive products in order to support national industry? Especially when there is much corruption and ill management among factories and governments, why should the citizens contribute more to feed the officials but not to their fellow workers? Why should they care enough to support the textile industry when most of the population could not even afford second-hand clothing? How could they stand still when large numbers of Chinese immigrants opened shops in Lagos and Accra, competing with local stores? Why should they hold themselves back from a better living over boarders? Forget about the states, either African or Chinese.

Undermining order control, immigration regulation, and tariff have no affect on morality of the traders. They are daily practice and unspoken rules of game. Even though Nigeria banned all textile importation since 2002, more and more African traders flied to Guangzhou to bring clothing back. Bribing off the custom officials at African borders is easily arranged and even of "market price". The mushroom growth of more and more small shops and markets selling China-made fabrics is an obvious irony of the textile ban. The take-for-granted way of business is also applied to China. Every trader knows how to become "street-smart" in Guangzhou. Night hour is a good time to come out to Baima markets opposite the railway station to get cheap off-fashion clothing. As soon as they spot the undercover police checking passports, the overstayers quickly run away. Afterward, they come back with alertness and casually joked about the escape with others.

"Of course, it is not just for the money." Ata considered himself doing a job for their people by participating in the informal economy. Among most African traders I know, no one finds it a shame about the negative consequences resulting in their countries from the massive dominance of Chinese products in Africa. Ata said, instead of wearing dump goods, the Africans could afford to buy products at wider price range, which are usually cheaper than goods made in African factories and other places. Then I remembered when I went to Kenya three years ago, every person I saw in street walked in odd-shaped black leather

shoes. A hotel security staff told me those are made from discarded tires from Europe. Then I saw our driver wearing sport shoes, so I asked him where he got his and he said those are European imports. Earning middle-class salary, he could afford a pair of decent shoes. Between expensive imports and cheap tire shoes, there was almost nothing between. It was amazing how limited the availabilities of the market goods was.

ANALYSIS

From the aspect of Africa, the fact that African traders are coming to Guangzhou is a complex result of expansion of domestic market demand and massive deindustrialization in their countries. Investment of the World Bank in African manufacture industries to help the third world countries to follow the Asian industrialization model (labor-intense, low entry barrier) failed badly (Morris 2006). Many reasons have been suggested and while individual case studies vary it is obvious that the imported Chinese goods have accelerated Africa's deindustrialization, which caused large textile corporations went bankrupt and thousands of jobs disappear within the industry (Morris 2006; Maswana 2007; Alden 2007: 81; Zafar 2007: 108). In Sanyuanli, most traders are involved in textile business and the overall textile trade between Nigeria and China is based on individual networking (Obiorah et al. 2008). However, it is by no means to blame these individual traders for the deterioration of Sub-Saharan Africa's textile industry. By all means, the African traders as well as the local business partners in Guangzhou are a mobilizing force that is not only self-interested but also symbolically grassroot globalization. It is a "globalization from below" where the lower strata of the society attempts to participate and benefit from the world economy (Falk 1999; Li et al 2009; Mathews 2007). It is a way to survive and benefit from the rising dominant power of China in terms of manufacturing.

From the aspect of China and Chinese locals in Guangzhou, there is a dilemma that people are facing in the age of globalization: on one hand, the rise of China since 1978 has benefited greatly from globalization and the standard of living for individuals has improved. In Sanyuanli, most Chinese business dealers are earning a good profit from trading with Africans. On the other hand, China is still an ethnically as well as politically "closed" nation. Its policy is hostile to foreigners and its communities as in Guangzhou have an obvious racist attitude towards Africans (Sautman 1994). It is argued that the Africans are living in an enclave in the city of Guangzhou without integrating into the local community (Li et al. 2009). Many female shop assistants in Sanyuanli with African boyfriends or husbands suffer from this dilemma more than others. I personally know a lot of female friends in Sanyuanli who have to deal with the problem reconciling the social norms and their own romantic relationship.

Besides these issues, the changing Chinese political and economic environment easily affect on the lower strata of Sino-Africa trade. Since the Christmas of 2009, the Sanyuanli market has been in a bad term. Nigerian shop owners has stopped taking in more clothes for the decreasing customers and only displayed a few "left-over products" from the last season. Joe and his wife take turn to be at the store only to kill time sitting in front of the door and chatting with nearby shop assistants. "Even if you don't have anything to sell, you have to

be here and open your shop. You can't even be late. If you are one minute late after 9 o'clock in the morning, you would be fined 50RMB by the administrator on the seventh floor." Sara, another shop owner, told me. In street, it is obvious that there are much less Africans than six months ago. After talking to a few friends I know, I conclude that there are two factors leading to the bad season in Sanyuanli.

As the Asian Games which Guangzhou hosts is drawing near, the local policy apparently becomes stricter toward the migrant population from African countries in order to keep the city a good "image". There are many more police checks everyday and the undercover police are more active. When I was sitting in Tangqi building in early March, I saw four undercover came inside, as they look totally misplaced with their dark jackets and small notebooks. A few African customers on the floor dashed to the small exit near the front of the building. However, the undercover cornered some customers at a shop and started to question them. Joe told me, "Sometimes the police come more than once per day. They don't really want us to be here right now." His wife Xu also said, "The farmers rely on the weather to earn their meal. We rely on the government policy to earn our meal."

It is true that the up and down of African markets in China is largely dependent on what attitude the government has towards them. During the best season of 2005, the Chinese government held an open attitude and applied little state control over the market. The Sanyuanli economy flourished. The largest population of African traders came in since the 1990s, built chambers of commerce, opened shops and etc. This year, Guangzhou has undergone a series of so-called shirong (city appearance) renovation projects to welcome the Asian Games. At hardware, the government spent billions in building metro stations and constructing a centralized bus line throughout the center. At software, civil supervisors were sent to monitor spitting and littering in public area and some of them were assigned with special mission "looking over" the work units of migrant workers. Although there is no specific guideline about restricting the activities and population of Africans in Guangzhou, it has become a consensus among the common residents and lowest level of bureaucrats. On internet, many people urge the government to wipe off the "smelly and dirty blacks" from the streets. Official notices are posted in residential area near Sanyuanli to call for local reports if any foreigner is found to have moved in¹. One informant told me, "The city and its people are racist." It is not a coincidence that more African traders were blocked out of Guangzhou this year when it is organizing Asian Games. Many people believe there is a link between the two at this timing, since the same thing happened during 2008 Beijing Olympics².

The second reason is that the RMB value has been rising since last year and euro value decreases roughly at the same time. The profit margin of buying Chinese goods to African countries becomes less and less. Mary, a Chinese shop assistant who has a Nigerian boyfriend, said he could not afford to pay

¹ The South Metropolis Daily has an article on this titled "Many Guangzhou Residential Districts Ask for Reports from Residents if Foreigners were Seen to Move In", at http://nf.nfdaily.cn/nfdsb/content/2010-05/07/content_11709593.htm.

² Refer to the Le Monde report "Africa does business in China", at <http://mondediplo.com/2010/05/02africansinchina>.

for Chinese visa and come for trade. Petty entrepreneurs who used to migrate between Sub-Saharan countries and China either "hibernate" at home waiting for a better time to trade or move to cheaper production center in Southeast Asia. Mary told me some of her clients who she helped to get China visa have been moving to India.

The result of the two factors above is that many traders move to nearby cities (like Shunde, Nanhai, Zhuhai) or other countries (like India) and only the well-off traders are willing to return to Guangzhou. Many other traders with less capital to trade large quantities of goods were screened off in the first half of this year. They calculate that it would not be worth it to risk losing money having visa rejected or on devalued goods. The spring season Canton Fair 2010 just ended in early May. It is reported that there was in growing number of African and American buyers attending the event¹. In the local markets like Sanyuanli, however, there are significantly less African traders. The structure of African traders in Guangzhou underwent a major shift from petty capitalists to formal middle-upper class businessmen.

CONCLUSION

At the center of the "world's factory" Guangzhou, the African traders are individual force that reach out from their hometowns to gain profits from globalization. It allows traders with petty capital from less developed economic areas build up entrepreneurship. China provides a good environment for this activity because it has cheap labor and production facilities and counterfeits are available in many informal markets, supported by private factory owners. On the other hand, many African traders encounter much trouble regarding harsh racist environment and immigration control in China, because China is still relatively closed in terms of ethnic issues and its political image. It is unclear how Chinese government will do about the informal markets like Sanyuanli. Meanwhile, the market provides precious economic opportunity for African and Chinese businessmen and an opportunity for Guangzhou to become a future global city.

¹ Detail could be referred to the FOX business news article "Canton Fair: There is No Stopping Opportunity", at <http://www.foxbusiness.com/story/canton-fair-theres-stopping-opportunity/>.

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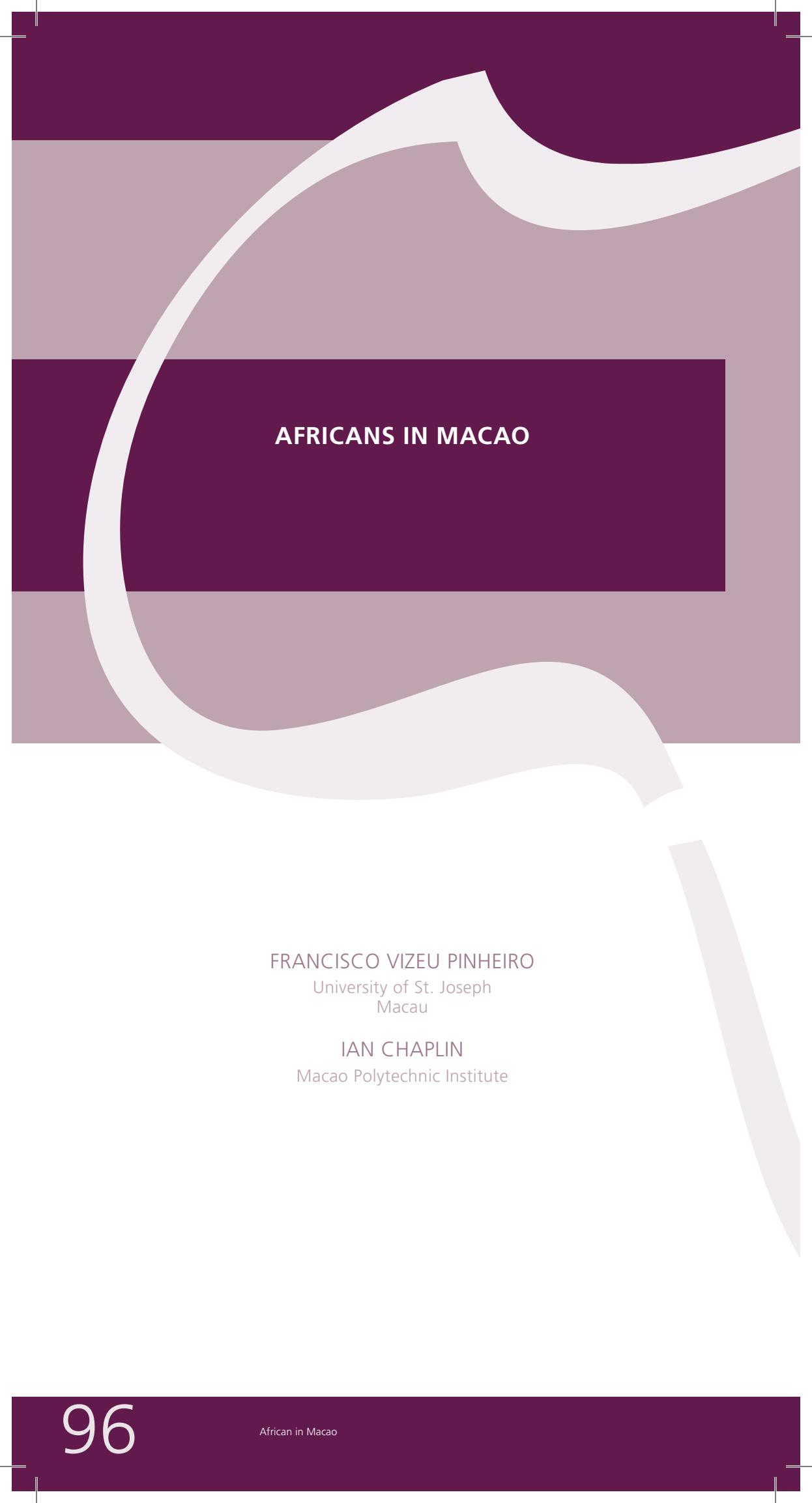
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AFRICANS IN MACAO

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ABSTRACT

This paper constitutes a preliminary study of the significance of Africans in Macao focusing on their presence in the military from the 16th century until the Portuguese revolution in 1974. Their contribution to the history of Macao is examined from the perspective of Africans conscripted into military service during periods of conquest and liberation. It is argued that the significance of the military presence of Africans in Macao reflects military concerns today with ensuring stability, maintaining peace and order, and serving the needs of the local community.

INTRODUCTION

Given the history of African bondage and slavery perpetrated by the various Empires, including the Islamic, Greek, and Roman worlds, it is pertinent to examine the nature of the role of African conscripts for military service in a historical and contemporary context.

As John Keegan (1993) observes: "Bondage, in a stronger or weaker form, is a common condition of military service." Even in Africa, bondage and slavery was a concept interpreted in terms which would be found contradictory today. During the reign of the great African Zulu chief, Shaka, his soldiers were not slaves; since it was custom, reinforced by terror, rather than law that bound them to servitude. They were in fact "slaves to Shaka's will" (Keegan, J., 1993). In the western cultural context, slaves were treated as objects: for tilling the fields or rowing the galleys. Slaves were captured enemies. When they revolted, as in the case of the revolt by Spartacus, defeat meant death (Matyszak, P., 2004)

Soldiers might, however, be slaves under the law in past times, however contradictory their status seems to us today. Slave soldiers – Mamelukes – were conscripted in many Muslim states and in many cases formed a military elite – even rising to high positions in the government. In its early conquests, Islam used the expedient of conscripting non-Muslims to fight 'jihad' against their brethren until in the ninth century Islam instituted a unique policy in military recruitment: the acquisition of slaves on non-Muslim youth to be raised in the faith and trained as soldiers. Most of the Mamelukes were in fact Turks – non-Muslims recruited on Islam's border with Central Asia, between the Caspian Sea and the mountains of Afghanistan. They were enlisted under the orders of the Caliph al-Mu'tasim who is credited with saying: "No people in the world are braver, more numerous or more steadfast."

The Janissaries were a special corps created in the 14th century, the praetorian guard of the Sultan rulers of the Ottoman Empire, and one of the permanent standing armies were captive young Christians, in a system reminiscent of the European, Persian and African kingdoms. Like the Mamelukes, they were trained in strict discipline to obey the Sultan and played a key part in the conquest of Constantinople, the Byzantine Capital of the Eastern Roman Empire, as in several Battles against Europe, Persian and African kingdoms. The number of Janissaries reaches circa 50,000 by the mid 17th century. With Sultan Mahmud II they were disbanded and massacred after the 1826 revolt.

For centuries, Africans were known and feared by most of the European kingdoms; particularly in the Iberian Peninsula. This fear was perpetuated during the seven long centuries of liberation and re-conquest (710-1492) of the Iberian Peninsula from Muslim rule imposed by the Jihad (Holy War) which created a Muslim state known as Al-Andalus. The black soldiers marching to the beat of African drums were Berber invading forces from the Maghreb. Not only did they fight the Christians, but also overcame the 'soft' Amoravid Dynasty, which had its capital in Seville. Civil war among African and more 'white' Moorish troops ensued from 1009 and 1013, debilitating the Cordoba Caliphate, which was fragmented into independent kingdoms called Taifas. In 1212, joint forces of Castile, Aragon, Navarre and Portugal finally defeated a powerful African

force at the Battle of Navas de Tolosa. However, Iberia continued to be under threat of invasions from Africa through the narrow straits near Hercules Column (Gibraltar). Pirate raids from North Africa plagued Atlantic and Mediterranean coasts – much as they do today.

In 1415, the Portuguese began their expansion first into North Africa by conquering cities like Ceuta and other strongholds. When some of the maritime expeditions send by Henry the Navigator found and captured Africans in Senegal, they believed they had captured Egyptians from the West Nile. Their search was intended to find the legendary Prester John whom they believed could be an ally behind enemy lines. Prester John was the Ethiopian Emperor. To sustain the crusade to liberate the Holy Land, it became a search for slaves and spices. In 1482-1483, Diogo Cao's exploration of the Congo River led to a diplomatic mission to recognize the converted King Nzinga a Nkuwu.

When political motives are strong, military action becomes evident. In 1541-1543, Cristovão da Gama led 400 Portuguese troops deep inside Ethiopia to provide help and relieve the mission of Christina Emperor Gelawdewos, helping to fight the occupation and subjugation of the Jihad War initiated by the Adal Sultinate with the help of Ottoman forces that had the prestige of defeating several European forces. Da Gama was beheaded, but the small Portuguese-Ethiopian forces won the war. The mission of Gama, hundreds of kilometers far away from the support of Portuguese forts or ships, was considered a suicidal mission, one of the first of Marines commandos in the renaissance period. In the Indian Ocean, the Portuguese brought to an end the Mameluke and Venetian economic Empires.

The most feared troops facing the Portuguese were the Muslim slaves-corps, reminiscent of the Mamelukes and Janissaries. In 1453-1515, Admiral Albuquerque developed the Marines concept with a strategic global vision implemented in the local tactical theatre of operation, miles away from Europe to fight these overwhelming enemy numbers, techniques later copied and developed by the Dutch and British navies.

In the 18th and 19th century European powers moved actively against slavery (The British Navy was given the task to suppress the sea slave trade). The opposition to slavery was one of the main causes of the American Civil War. Several Catholic Church clergymen and Evangelical preachers campaigned against slavery in Asia and in the Americas. However the local lords, traders and soldiers of fortune were stronger than the European ruler's legislation or moral speeches. African slaves were substitutes for the indigenous population. The Epic struggle of the protection of the indigenous population freedom from slavery is well documented through the Brazil and Paraguay jungle in defense of the traders and explorer's attacks. This struggle was brought to the common public in the movie, "The Mission" by Roland Joffe. Saint Francis Xavier also had the same struggle against the unscrupulous traders of weapons and slaves. First the Jesuits were expelled, them suppressed in 1773. Expulsion of friars and land confiscations by the Liberal governments in Europe practically reduced the influence of the Church to Charity works. However Charity works in Hospitals, Misericordias, orphanages, Leprosarium, etc help to minimize the suffering of both slaves and Europeans.

With the progressive end of slavery, the relationships also changed, bringing the phenomenon of the Africanization of the Portuguese Army, which rapidly increased during World War 1 after the attack from German East Africa with the support by Askaris troops. The Colonial War in Angola, Mozambique and Guinea was started in 1961 fostered by the Soviet Union as part of the strategic cold war. The Portuguese withdrew from the wars in 1975 after the Portuguese revolution of April 25th. Particularly in Angola and Mozambique, Portuguese troops in certain areas were mainly Africans of specific tribes. This links of friendship with African allies and even with former guerrilla enemies still strong today in many Portuguese War veterans.

Although slavery was banned in the 19th century by the former colonial powers, wars for the capture of slaves is still a reality. For centuries rages a devastating civil war between its Northern and Southern regions of Africa. The causes of the war are varied and complex, but generally they hinge on the North's hegemonic designs over the people of the South. Since independence on January 1, 1956 successive Arab and Muslim dominated governments in Khartoum have strived to forcefully bring the South under Arab and Islamic fold. These governments, and especially the current National Islamic Fundamentalist government, have used and continue to use war methods or weapons such as slavery, Arabization, Islamization, ethnic cleansing, aerial bombardment and man-made famine to either decimate or subjugate the African people of the Southern Sudan and Nuba Mountains. The examples of Macao evolution, of tolerance and cooperation could be following in other regions.

AFRICANS IN MACAO

In Macao, first the Portuguese, and later Macanese families had their own in-house militia formed by many servants from different origins; particularly from Africa, India, Malaya, Timor, and some from Japan – coming from the Portuguese sea trade network. During the trips, these different language groups established relationships and communicated all along the way.

This house militia played and trained together, and on special occasions, often at the Macao city center of St Domingos Square, they held a war game (Alcazias) between two groups: one dressed as Moors, the other as Christians. The game consisted of horse and infantry drills and a skills competition; exercises recommended by Portuguese rulers like King John I and D. Duarte (Azevedo, C., 2010).

Society in Macao was stratified until the end of the 19th century in a feudal way with the aristocracy at the top and the servants at the lower level. The noble families, as in Europe feudal societies, did not do manual work (only hunting, war, and eventually trading), so the house service was done by servants, and the crafts, agriculture by neighboring Chinese. Two mandarin officials visiting Macao, reported in 1751 that:

The ones (Portuguese) that own slaves consider themselves important. They are dark, like lacquer, had red lips, white teeth; they are very similar with human being. They are called Kwai nou (Slaves of the (foreign) devils)...the owners live on the upper floors, the slaves in lower ones (of the same house).

Owners and slaves lived in the same settlement and on trading ships together. The Portuguese from Macau, were known in Japan as Namban (Southern Barbarians). Many of the Namban Beobu (Screen) by Kano Domi represents this multi ethnic, European, African and Indian – Malay in the same ship from Macau (Fig.1), know as the Black Ship “Kurofune” due to its dark color.

In Japan, Africans of the Namban militia, fought on the side of their Portuguese friends, against the samurais. At the battle of Okitanawate in 1584 (Costa) at the seashores of Shinambara, a mix crew of African, Malabar (south India) and Japanese soldiers operated the two pieces of Namban (Portuguese) artillery that defeated the larger and superior army of the Shimazu warlord. In Nagasaki the Namban lived in the “Portuguese” areas together with African, Indian and Malay servants. On January 1610 the bay of Nagasaki, for three nights Africans and other Namban defended the ship of Andre Pessoa from Macao, against thousand of Samurais.

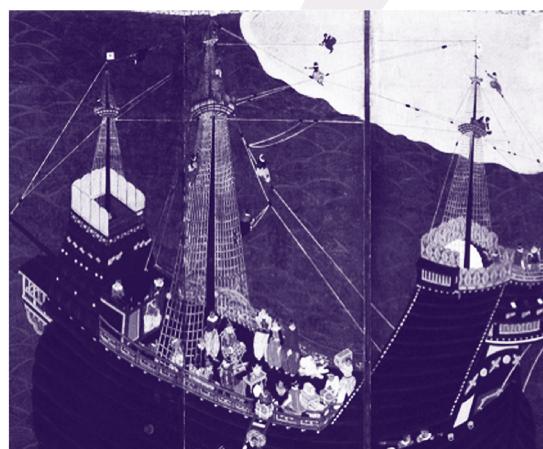


Figure 1: Image on the Namban biobu, of the Black ship from Macau with its mix crew of Europeans, Indians and Africans.
Museum Nacional de Arte Antiga, Lisbon.

These mix societies settlements (African, Malay, European, Indian, etc) in Asia were apparent in Macao and in Nagasaki (16th and 17th century) accepted as Catholics (meaning “universal in Greek) living in societies but not like those of the Japanese, Chinese and Dutch which fostered separation, “apartheid” among ethnic groups. The Tokugawa Shoguns soon impose the separation from the Japanese settlement of Nagasaki, by creating the Dejima artificial small island for better control. The Chinese community was already settled in a separated Chinatown.

Similar separation by ethnic groups is apparent in the Dutch Asian Settlements. This “apartheid” policy originated from the Calvinist concept of predestination that equates business success as a sign of God’s blessing, as sociologist Max Weber mention, a powerful engine for capitalist doctrines. Later, Darwinist theories of evolution and survival of the fittest supported the difference and naturalness of separation of the “species”. Curiously the Portuguese overseas cities reflect the social natural mixing also in the way cities are built, with the trend to develop in an natural organic way adapt to the land topography, while

the Dutch settlements under the VOC and WIC rule, as mentioned by Oers (2000) research preferred a geometric grid and tripartite spatial functional organization of Fort (Company), settlement (trade and habitation) and indigenous Village (fishing & agriculture)

African soldiers were part of the Portuguese units in mainland China in support of the Ming Struggle against the Qing invaders. Ming authorities asked the support of Macao's Folangji", experts for casting hundred cannons (20 to 40 pound shells, 3 meters long saker type cannon) In 1626, the Ming garrison in Ningyuan (Liaoning province) led by Yuan Chonghuan, supported by Western guns and artillery crew from Macau, held and defeated the Manchu tide led by Nurhaci (TaiZu, 太祖) .

In 1647 Macao troops responded to the Ming loyalist force for Yun Li, to a request for help to relieve the siege of Kweilin capital of the province of Kwangsi. 300 harquebusiers were sent under the lead of Nicolau Ferreira that helped in June of that year holding the city against the city attack. However after the conquest of Canton by Qing troops, the defense of Keiwin became useless.

In June 24, 1622, Africans had a special rule in defending Macau from the Dutch attack supported by 8 vessels and 1024 men. The enthusiastic and successful intervention of African slaves and servants (moços de serviço) in the defense, took the attackers by surprise so that they panicked and withdrew with heavy casualties. In recognition of their bravery and loyalty, the slaves received freedom from their masters, whose army was formed by 50 musketeers and 100 residents (plus servants/slaves). The Dutch also blamed the Africans intervention "impetuous attack of the African Slaves" in contributing to their defeat. In 1761 slavery was abolished in Portuguese India, which included Macao. However the local "aristocracy" retained enough autonomy and power to continue the trade of slaves. This was also a consequence of the dual suzerainty (Chinese and Portuguese) reflected in the lax mixed governance by negotiation between the Macao's Senate and the Mandarins. Radical changes were brought by the governor Ferreira do Amaral and according with Amaro (1998) in 1875 by the abolition decree of Viscount Sa Da Bandeira, Portugal Prime Minister.

MILITARY UNITS IN MACAU

The most deployed of the African troops were the Landins from Mozambique. Landins was a general designation to the Mozambique group, but in Macao also designated other origin African troops. They were considered the best of the African troops in service to the Portuguese Army.

According to Morais (2010), in the nineteenth-century, Landin soldiers from Mozambique were enlisted in the Portuguese colonial army to serve in Angola, Timor, and Macau. Mesquita mentions that 100,000 were recruited in WWI. The war in Africa spread the phenomenon of organizing indigenous troops in a European way. By comparison, Wiest, A (2001) mentions that the first black units in the American Army during WWI, never left home, because of the local attitude against sharing public facilities like bars and transportation with black soldiers, resulting in gun battles that resulted in several deaths in Houston, Texas.

Tall, strong, fast learning, disciplined and with a fighting spirit Landins were

ready and not intimidated. As late as the 1975, when the Portuguese empire started collapsing, Mozambican sentinels who remained in Macau for a two-year commission were a common sight not only on duty as sentinels at the Portuguese governor's palace but also, according with Mesquita, when they were off duty and went shopping. They received 2,000 Macao's Dollars (1950) for two years of military service. Mesquita and in a personal interview with Father Lancelote, it is mentioned that they had a cheerful character. Father Lancelote mentions that most Landins were Animist, but open to learn Christian doctrine. In 1953, 141 soldiers were baptized in Macao's Cathedral. They did not forget the traditions from their mother land, apparent in the martial dances with the elongated shield and spear under the sound of drums. Some of them finished basic school education in Macao.

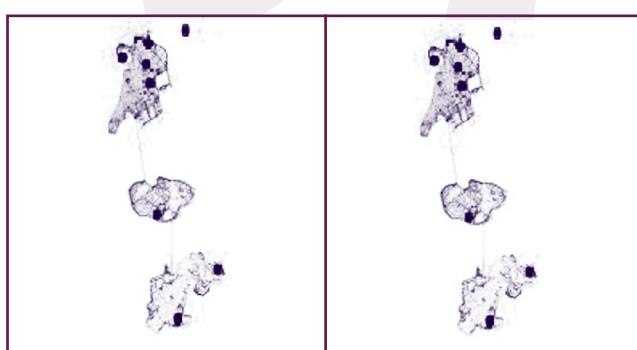


Figure 2: Map of Taipa-Coloane islands and Macau (right) with the location of African Units. Map by the authors

Two thousand Landins from Mozambique arrived in Macau in 1912 and the company's main job was to guard the Macau–China border or the governor's palace. Between 1920 and 1949, the Portuguese authorities faced the Chinese population's opposition to the Landin security forces due to an incident. In 1922, riots broke out after one member of the Mozambican garrison accidentally knocked over a Chinese child. From 1948 onwards, sources indicate that the African army composed of soldiers and caporals from Mozambique, Guinea, and Angola amounted to 500 were distributed in several garrisons at the critical Border Gates (with several combat drills) Guia Fortress, Ilha Verde, and in the islands of Coloane and Taipa. They were equipped like the Portuguese troops, with machine guns, bazookas, under protection of the bunkers and tunnels in Border Gate, which closed emigration traffic at 6.pm.

In 1952, there were shootings at the Border's Gate, as an answer to the pressures of the Allies over Macao to help the embargo to China during the Korean War (1950-53). Tense moments were also evident between 1966 -7 as a result of the Cultural Revolution clashes, known as the 1, 2, 3 incident. After this period the military kept a lower profile. Thousands of Red guards were ready to invade Macau. The bloodbath was avoided by the PLA (People Liberation Army) that sent 15,000 army and navy troops to protect Macao.

Macao had a large Military area. Cação (1999) mentions different places, where African units where deployed, like the Border Gate, Mong Ha and Guia

Hill, Green Island, Taipa and Coloane (fig 2). The memory of the African soldiers is being rapidly erased. Most of the barracks and military facilities have been demolished (Fig 2); some recently like the Mong Ha (fig 3) command center (also known as Asilo in military documents) shown in the below old postcard, now functioning as a car park, thus erasing the memory of the centuries old contribution of Africans in Macao. Ironically Angola, after the 1999 handover has a consulate in Macau, but no monument of the many peoples and ethnic groups that formed the rich pool of "miscegination" the mixing of races, religion freedom and cultural diversification.

One part of Macau, was and is still known as the Hac Gwai San, the "Black Devils Hill". The word "Gwai" (Devil) like Gwai Lou is a common term used for foreign people from different races. Most of African troops were Hunter's Units ("Caçadores"), but they were mixed with other units.

For example the Mong Ha area had three different parts, nominally the:

- Asilo de Mong Ha: destined for command and training of Mozambique Hunters Battalion (Batalhão de Cacadores de Moçambique, September 1952).
- Mong Há Fort (3rd Hunter's company/squadron)

Metalicas Barracks: Quarters of the anti-aircraft light batteries 88 mm, first served by the independent expeditionary anti aircraft 40mm Platoon. From 1951, the Mozambique light Battalion 40mm stayed here supported by the expeditionary 75mm platoon, which ended in December 1st 1959. In 1956 the 2nd Mozambique Hunters' Battalion was quartered here.





Figure 3: Mong Ha command center, recently demolished.
Right armored vehicles in San Ma Lou during the Cultural Revolution incidents

According to Morbey Portuguese troops reached peak numbers of 5,000 soldiers in the 1950, and 1000 in the 1970's, representing a release of tension and demilitarization.

The Estado Novo, also known as the Portuguese 2nd Republic, was constitutionally inaugurated in 1933. It was an authoritarian regime with a corporative organization inspired by the Italian Fascist and German National Socialist movements, that had strong racial overtones of "white" superiority. However, probably due to the influence of the Catholic religion, racism was seen as a sin so black people were integrated in the army and in society. Missionary work among Africans, was moderate, never imposed by force.

When the *Estado Novo* fell in April 25, 1974, the Macau's Independent Territorial Command (Comando Territorial Independente de Macau) was abolished, and all the African soldiers left the territory.

THE AFRICAN CORPS IN MACAO: A COMPARATIVE MILITARY PERSPECTIVE

The citation of the Caliph a—Mu'tasim with reference to the bravery of Mamelukes: "No people in the world are braver, more numerous or more steadfast", can be compared to the African conscripts in Macao with the same virtues of courage, loyalty, and endurance. This also echoes the reputation held by the elite Gurkha forces conscripted into the army of the British Empire. It is significant to compare the status of African soldiers garrisoned in Macao who were regarded as Portuguese nationals, to the status of the Gurkhas who were designated as Nepalese without the privilege of British identity.

The Gurkhas are renowned in the annals of British military history for their involvement in the Indian Army's Gurkha regiments and the British Army's Brigade of Gurkhas. The Gurkhas were recognized by British officials as a "Martial Race". "Martial Race" was a designation created by officials of British India to describe "races" (peoples) that were thought to be naturally warlike and aggressive in battle, and to possess qualities of courage, loyalty, self sufficiency,

physical strength, resilience, orderliness, the ability to work hard for long periods of time, fighting tenacity and military strategy (Parker, 2005). The British enlisted from these Martial Races for service in the British Indian Army. Former Chief of staff of the Indian Army, Field Marshal Sam Manekshaw once famously said about Gurkhas: "If a man says he is not afraid of dying, he is either lying or he is a Gurkha."

From the end of the Indian Rebellion of 1857 until the start of the First World War the Gurkha Regiments saw active service in Burma, Afghanistan, the North-East and the North-West Frontiers of India, Malta, and even in China (the Boxer Rebellion of 1900) and Tibet (Younghusband's Expedition of 1905).

The treatment of Gurkhas and their families was the subject of controversy in the United Kingdom once it became widely known that Gurkhas received smaller pensions than their British counterparts. The nationality status of Gurkhas and their families was also an area of dispute, with claims that some ex-army Nepali families were being denied residency and forced to leave Britain. On 8 March, 2007, the British Government announced that all Gurkhas who signed up after 1 July 1997 would receive a pension equivalent to that of their British counterparts. In addition, Gurkhas would, for the first time, be able to transfer to another army unit after five years' service and women would also be allowed to join - although not in first-line units - conforming to the British Army's policy. The act also guaranteed residency rights in Britain for retired Gurkhas and their families.

On the 29 April 2009 a motion in the House of Commons by the Liberal Democrats that all Gurkhas (Fig. 4) be offered an equal right of residence resulted in a defeat for the Government by 267 votes to 246. Nick Clegg, the Liberal Democrat leader, stated that "This is an immense victory [...] for the rights of Gurkhas who have been waiting so long for justice, a victory for Parliament, a victory for decency." He added that it was "the kind of thing people want this country to do"(1).



Figure 4: Gurkha Soldiers (1896). The centre figure wears the dark green dress uniform worn by all Gurkhas in British service, with certain regimental distinctions

From the photograph above it is also significant to note that there was no distinction between the uniform worn by African conscripts and those from the Portuguese motherland. In fact Manuel A. Ribeiro Rodrigues (1999:209) quotes information regarding the clothing to be worn by Portuguese soldiers according to the Military Instructions of 1555 that: "Green has always been disliked for

warfare, though there is no justification for this except that it does not stand out in the field, where in general everything is green, and it is consequently worn by hunters so that they will not be seen by the animals".

Another contrast between the African troops and those recruited from elsewhere, namely India, in terms of the supply of uniforms is observed again by Rodrigues (1999:220):

As is well known, most of the garrison troops in Macau were provided by India, and in view of the difficulties of acquiring cloth for outfitting, they arrived in Macau with the uniforms they wore in India. It can be shown that these were a series of different colours, although the garments continued to be of similar styles.

As the photographs of the African forces garrisoned in Macau show, soldiers recruited from Mozambique and other colonies were uniformly dressed and equipped on their arrival.

Another distinction that can be drawn from research is that there was no evidence of discrimination or the scourge of 'apartheid' instituted by the Dutch in South Africa. It may even account for the defeat of the Dutch attempted invasion of Macau – being resisted by the very people it sought to marginalize. Whether black or white, at work or at play, Portuguese soldiers mixed together apart from the distinction of rank. This undoubtedly contributed to the integration of the African corps into the city of Macau and gave them a sense of community.

CONCLUSIONS

There is a long tradition of African presence in Macao. It is argued here that China's encounter with Africans in Macau has conveyed a positive image of the African continent. This is in sharp contrast to the perception widely held of Africans as the victims of bondage and slavery. China's diplomacy and development initiative today is fettered by the historical associations of colonialism and imperial hegemony. Although slavery abolition movements succeed in abolishing slavery by European and American powers, slavery is still a scourge in Africa – as the events in Darfur, Sudan attests. The National Islamic government in Sudan has even gone as far as to declare "Jihad", an Islamic Holy war against the people of the South and the Nuba Mountains, who it considers as infidels and who must be totally eradicated or brought under the banner of Arabism and Islamism. In most parts of the world slavery and slave trade are subjects that are taught in classrooms to students of history. However, in the Sudan slavery and slave trade are realities of life. In fact these obnoxious practices of modern day slavery and slave trade have never really stopped in the Sudan since the 18th and 19th centuries. They have only varied in intensity depending on who is in control of the reigns of power in Khartoum.

Without Portuguese intervention in Ethiopia, there is no doubt that the fate of this oldest African kingdom would be slavery and would continue to be the fate of the African people defeated in wars in Sudan between the Arab north and the African south that became genocidal as in the case of Dafur. It is a centuries old war due to the main reason of capturing African slaves from the south to serve in the north and for trade.

In the historical Portuguese colonial context, the medieval feudal relation evolved from a servant-slave relationship to an ally and important part of the Portuguese system, bringing an Africanization of the Portuguese Army, apparent

in Africa, Goa and Macao/ Although the African community was transient and limited in its integration, it is an indelible part of the historical record of Macau society.

The lesson to be drawn from the history of the historical presence of the Portuguese African corps on Macau is a microcosm of the tolerance and fortitude of a small community facing the same vicissitudes for economic, social, and cultural development. The significance of the military presence of Africans in Macao reflects military concerns today with ensuring stability, maintaining peace and order, and serving the needs of the local community. These tasks are now undertaken by the PLA battalions stationed in Macao.

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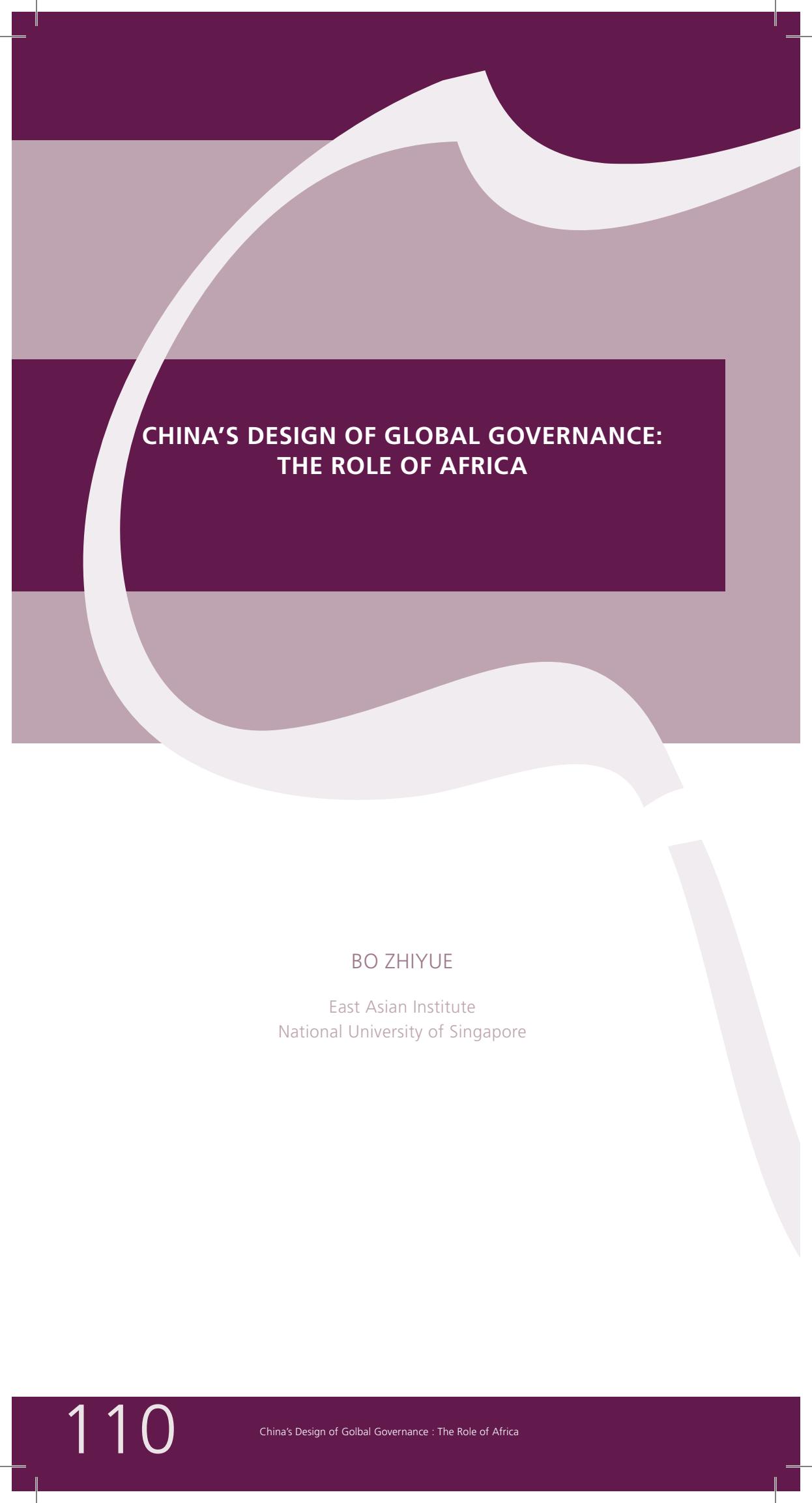
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CHINA'S DESIGN OF GLOBAL GOVERNANCE: THE ROLE OF AFRICA

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I. INTRODUCTION

In the past six decades, China went through three different stages in terms of its design of global governance. In the era of Mao Zedong, China was a revolutionary state. A visionary revolutionary, Mao envisioned a world of three different forces. In his view, the most dangerous threat to China's security in particular and world peace in general came from the competition between two superpowers, consisting the first world. Developing countries in Africa, Asia, and Latin America belonged to the third world, an important force against hegemonism. Japan, Canada, Australia, and European countries constituted the second world, an important ally for the third world. African countries were important political allies for China. They helped restore China's seat on the United Nations.

In the era of Deng Xiaoping, China became a status quo state. Since economic development was the top priority for China, the country opened up to the West and accepted the established international norms. African countries became less relevant in this context, and some were playing games between the People's Republic of China and the Republic of China.

In the new century, China is becoming an active participant in international affairs and a responsible stakeholder. China is no longer a passive receiver of the international political and economic order but an active contributor to the emergence of a new world of peace, prosperity, and harmony. Africa is again very important for China, not only as a source of natural resources but also a comprehensive strategic partner.

II. MAO ZEDONG'S REVOLUTIONARY WORLD VIEW

Mao Zedong, the founder of the People's Republic of China, was a visionary revolutionary. In the heydays of the Cultural Revolution, he envisioned a new world free of hegemonism and strived to be a leader of a global united front against hegemonism.

In the early years of the People's Republic, the Chinese leaders adopted a leaning-to-the one side policy. China's friends were mostly communist countries. By April 1955, China had established diplomatic relations with 23 countries. Among them, 12 were communist countries. Others include six European countries (Sweden, Denmark, Switzerland, Liechtenstein, Finland, and Norway) and five Asian countries (India, Indonesia, Myanmar, Pakistan, and Afghanistan). No African countries then had diplomatic relations with China. China was a junior partner of the Soviet Union, and it was willing to follow the lead of its elder brother on the international stage.

The Bandung Conference of April 1955 was a turning point. China decided to participate in the conference to expand its united front. At the conference, Zhou Enlai proclaimed a principle of "qiu tong cun yi" ("seeking commonalities and avoiding differences") and won kudos from other Asian and African countries. As a result, China expanded its diplomatic relations with Asian and African countries in the subsequent years. Between August 1955 and December 1964, China extended diplomatic relations to 27 countries, including seven Asian countries and 18 African countries.

In particular, 1964 was the year of Africa. Premier Zhou Enlai had a historical visit to the continent from 13 December 1963 to 5 February 1964.¹ He visited 10 countries there, a record in the history of the People's Republic. The countries he visited include Egypt, Algeria, Morocco, Tunisia, Ghana, Mali, Guinea, Sudan, Ethiopia, and Somalia. In 1964, six African countries established diplomatic relations with China. They were Tunisia, the Republic of Congo, Tanzania, Central African Republic, Zambia, and Benin. Zhou Enlai visited Africa three more times in 1965.

African countries played a very important role in restoring the position of the People's Republic of China in the United Nations and expelling the "representatives of Chiang Kai-shek." Among 17 countries that made a request on 15 July 1971 to discuss the question of the "restoration of the lawful rights of the People's Republic of China in the United Nations," nine were African countries. Among 23 countries that submitted a draft resolution (A/L. 630 and Add. 1 and 2) on 25 September 1971, 11 were African countries. Among 76 countries that supported the adoption of A/L. 630 and Add. 1 and 2 as Resolution 2758 on 25 October 1971, 26 (more than one third of the total supporters) were African countries.

Following the People's Republic of China's entry into the United Nations, many more countries established diplomatic relations with the new China. Within a period of two years (1971 and 1972), 38 countries established (or restored) diplomatic relations with the People's Republic of China.

Mao Zedong subsequently put forth a new theory of global governance in 1974. During his meeting with President Kenneth David Kaunda of Zambia on

¹ For a detailed discussion, see Wang Taiping et al., *Xin Zhongguo Wanjiao Wushi Nian* (The 50 Years of New China's Diplomacy) vol. 2 (Beijing: Beijing Chubanshe, 1999), pp. 660-680.

22 February 1974, Mao classified countries of the world into three categories. According to him, the United States and the Soviet Union belong to the First World; Japan, Europe, Australia, and Canada, the Second World; and the rest, the Third World. Asian countries, except for Japan, belong to the Third World; so do countries in Africa and Latin America.¹ In April 1974, Deng Xiaoping announced this theory in his speech to the United Nations.²

Mao's theory of the three worlds, it should be noted, was not offensive but defensive. He was not seeking to create a new world of communism. He simply wanted to fend off the danger of hegemonism. The most serious danger in the world, in his view, was the competition between the two superpowers for world hegemonism. The primary task of the Third World countries, therefore, was to oppose hegemonism. In the global fight against hegemonism, the third world countries (in particular African countries) were most important forces and the second world countries were targets of the united front. As part of the third world, China should work with other third world countries against hegemonism.

In Mao's united front against world hegemonism, the Soviet Union was singled out as the most serious danger to China's security and to world peace. He developed rapprochement with the United States, another superpower, and worked with it against the Soviet Union.

III. CHINA UNDER DENG XIAOPING: FROM A REVOLUTIONARY STATE TO A STATUS QUO STATE

China's world outlook experienced a fundamental shift under the leadership of Deng Xiaoping. Mao Zedong worried about an imminent war first with the United States or later with the Soviet Union. He relocated industries from coastal areas to inland areas in preparation for this worst outcome. For a period of 14 years, China invested 205.2 billion yuan in the third front construction, involving 13 provinces and autonomous regions in the inland areas.³

After Deng Xiaoping returned to power again in 1977, he began to entertain the possibility of delaying the breakout of a major war. At a Plenary Meeting of the Military Commission of the Central Committee of the CCP on 28 December 1977, Deng talked about the possibility of gaining "some additional time free of war."⁴ In his view, this was possible for two reasons. On the one hand, China was continuing Mao's strategy and diplomacy of opposing hegemonism; on the other, neither the Soviet Union nor the United States was ready to start a world war.

One year later, in December 1978, the CCP leadership decided to shift its

1 Mao Zedong, "Guanyu Sange Shijie Huafen Wenti" ("On the Classifications of the Three Worlds") (22 February 1974), Mao Zedong Wenji (Collections of Mao Zedong) vol. 8, <http://cpc.people.com.cn/GB/69112/70190/70197/70362/4769799.html>.

2 For a detailed presentation, see Sun Dali, "Sange Shijie Huafen de Zhanlue Sixiang yu Xinshiqi Waijiao Zhengce de Tiaozheng" ("The Strategic idea of three world classifications and the adjustment of China's foreign policy in the new era"), <http://cpc.people.com.cn/GB/69112/70190/70194/5235123.html>.

3 For a brief introduction to the third front infrastructure construction, see <http://baike.baidu.com/view/798186.htm>.

4 Deng Xiaoping, "Speech at a Plenary Meeting of the Military Commission of the Central Committee of the CPC" (28 December 1977), Selected Works of Deng Xiaoping Volume 2 (Beijing: Renmin Chubanshe, 1994), p. 77.

attention from politics to economic development at the Third Plenum of the Eleventh Central Committee of the CCP. The Chinese central government subsequently made a decision in 1979 to establish four special economic zones along the coast: Shenzhen, Zhuhai, Shantou, and Xiamen.¹ Since China's economic development requires a peaceful international environment, promoting world peace became a top priority in China's foreign policy.

In 1980, Deng Xiaoping produced a list of three major tasks for China in the new decade. They were 1) to oppose hegemonism and work to safeguard world peace; 2) to strive for China's reunification and particularly for the return of Taiwan to the motherland; and 3) to accelerate socialist modernization. The key, however, is economic development.

In 1982, he modified the order in which these three tasks were presented to better reflect his priorities. In his opening speech to the Twelfth Party Congress on 1 September 1982, the three tasks were 1) to accelerate socialist modernization; 2) to strive for China's reunification and particularly for the return of Taiwan to the motherland; and 3) to oppose hegemonism and work to safeguard world peace. Economic development, he emphasized again, is the key. "It is the basis," in his words, "for the solution of our external and internal problems."²

In this sense, it is imperative for China to have a peaceful international environment. In 1977, Deng Xiaoping believed that China could gain some additional time (duo yi dian shijian) for its military modernization and estimated it to be somewhere between 10 and 20 years. In 1984, he hoped that there would be longer-lasting peace for China's modernization drive and that China would need another 30 to 50 years in the 21st century.³

Under this guiding principle, China developed its relations with major powers in the world. China established diplomatic relations with the United States in 1979 and normalized its relations with the Soviet Union 10 years later. China opened its door to the West and began to embrace the established international norms, becoming a status quo state instead of a revolutionary state.

In this context, African countries became important allies for safeguarding world peace. High-level exchanges between China and African countries accelerated in the 1980s. The visits by heads of state from African countries increased from 33 times in the 1970s to 51 times in the 1980s. Chinese Premier Zhao Ziyang visited 11 countries in Africa from 20 December 1982 to 17 January 1983. The countries he visited include Egypt, Algeria, Morocco, Guinea, Gabon, Zaire (later Democratic Republic of the Congo), the Republic of the Congo, Zambia, Zimbabwe, Tanzania, and Kenya.⁴ During his trip, Zhao stressed China's commonalities with African countries and downplayed the role of ideology in China's interactions with them. China would no longer base its relations with African countries on whether they were allies of the Soviet Union or the United States. In 1986, President Li Xiannian visited three African countries, the first of its kind in China's history. He visited Egypt, Somalia, and Madagascar from 17

1 For an account of Deng Xiaoping's role in the development of the special economic zones, see <http://www.people.com.cn/GB/shizheng/1026/2787246.html>.

2 Deng Xiaoping, "Opening Speech at the Twelfth National Congress of the Communist Party of China" (1 September 1982), Selected Works of Deng Xiaoping Volume 3 (Beijing: Renmin Chubanshe, 1993), p. 3.

3 Deng Xiaoping, "We must safeguard World peace and ensure domestic development" (29 May 1984), Selected Works of Deng Xiaoping Volume 3 (Beijing: Renmin Chubanshe, 1993), p. 57.

4 Wang Taiping et al., Xin Zhongguo Wanjiao Wushi Nian (The 50 Years of New China's Diplomacy) vol. 2 (Beijing: Beijing Chubanshe, 1999), p. 699.

to 27 March 1986.¹

In the aftermath of the Tiananmen Incident, the Western countries staged diplomatic and economic sanctions against China. It was African countries that showed their support for China. The first visit by a foreign minister of a foreign country was from Africa; the first visit by a foreign head of state was also from Africa. The first foreign minister was from São Tomé and Príncipe, a Portuguese-speaking island nation in the Gulf of Guinea, off the western equatorial coast of Africa. He was Carlos da Graça (born 1931).² Premier Li Peng met him in Beijing on 29 June 1989.³ The first head of state was from Burkina Faso. It was announced on 31 August 1989 that the President of Burkina Faso, Blaise Compaoré (born February 3, 1951),⁴ and his wife would visit China from 7 to 12 September 1989.⁵ The first country the Chinese President visited in the aftermath of the Tiananmen Incident was also an African country. In his second trip abroad and first foreign trip after June 1989 as President of China, Yang Shangkun visited Egypt as his first stop in a four-country⁶ tour in December 1989.⁷

Nonetheless, the 1990s witnessed the worst period in China-Africa relations. Among 13 countries that discontinued their diplomatic relations in the decade, nine were African countries. They were Lesotho, Guinea Bissau, Central African Republic, Niger, Burkina Faso, Gambia, Senegal, São Tomé and Príncipe, Chad, and Liberia. Notably, São Tomé and Príncipe was the first country to send its foreign minister and Burkina Faso was the first country to send its head of state to visit China in the aftermath of the Tiananmen Incident. But both of them later switched to Taiwan. Central African Republic and Liberia were even worse. Both of them broke their ties with the People's Republic of China (PRC) twice. Central African Republic had established diplomatic relations with the PRC on 29 September 1964 but cut its ties with the PRC on 6 January 1966. The two countries restored their relations on 20 August 1976. Central African Republic broke its ties with the PRC again on 8 July 1991 and then restored its relations with China again on 29 January 1998. Similarly, Liberia established diplomatic relations with the PRC on 17 February 1977 but broke its ties with China twice: once on 10 October 1989 and once on 9 September 1997. As the People's Republic of China (PRC) and the Republic of China (ROC) were in a race to win their support, these swindler countries took full advantage of their competition for their own benefits.

China's diplomatic efforts in the 1990s, therefore, were focused on Asian

1 "中国与非洲关系大事记((1980-1989)" <http://news.sina.com.cn/c/2006-10-30/151411371321.shtml>.

2 For his biographical information, see http://en.wikipedia.org/wiki/Carlos_da_Gra%C3%A7a.

3 Renmin Ribao, 30 June 1989, p. 1. São Tomé and Príncipe established diplomatic relations with the People's Republic of China on 12 July 1975, but, unfortunately, it established diplomatic relations with the Republic of China on 6 May 1997. The People's Republic of China suspended its relations with the island country on the same day.

4 For his biographical information, see http://en.wikipedia.org/wiki/Blaise_Compaaor%C3%A9#cite_ref-Profiles_0-0; and Renmin Ribao, 7 September 1989, p. 1.

5 Renmin Ribao, 1 September 1989, p. 1. Burkina Faso established diplomatic relations with the People's Republic of China on 15 September 1973 but switched its diplomatic relations to the Republic of China on 2 February 1994. The People's Republic of China suspended its relations with the country two days later.

6 The other three were United Arab Emirates, Kuwait, and Oman.

7 Renmin Ribao, 19-29 December 1989, p. 1. See also Yang Shangkun, Yang Shangkun Huiyilu (Yang Shangkun Memoir) (Beijing: Zhongyang Wenxian Chubanshe, 2001), pp. 365-373.

countries. China restored its ties with Indonesia and established diplomatic relations with Singapore in 1990; and established diplomatic relations with Brunei and South Korea, in 1991 and 1992 respectively. In the meantime, China also reestablished diplomatic relations with members of the former Soviet Union, members of the former Yugoslavia, and both Czech and Slovakia after their disintegration.

In the aftermath of the Tiananmen Incident, Deng Xiaoping's advice to the new leadership was to adopt a low profile and never take the lead in international affairs. In his view, China should focus on its own economic development in a peaceful international environment and a stable domestic environment.¹ Initially, the new leadership under Jiang Zemin failed to heed Deng Xiaoping's advice and did not promote reform and opening to the outside world. Deng had to take a dramatic measure by conducting a southern tour to push for reform and opening. Subsequent to Deng's southern tour of 1992, China entered a new era of rapid economic development.

As a result, China's Gross Domestic Product (GDP) increased from 2,178.2 billion yuan in 1991 to 9,921.5 billion yuan in 2000; and its GDP per capita went from 1,893 yuan to 7,858 yuan in the same period.² In constant prices, China's GDP and GDP per capita in 2000 were 2.4 and 2.3 times of those in 1991, respectively.³

IV. CHINA IN THE 21ST CENTURY: FROM A STATUS QUO STATE TO A RESPONSIBLE STAKEHOLDER

China's world outlook experienced another fundamental shift in the new century. In his initial advice in the aftermath of the Tiananmen Incident, Deng Xiaoping also urged Chinese leaders to make contributions in international affairs.⁴

After 15 years of negotiations, China was accepted to the World Trade Organization (WTO) in November 2001. China's economy has continued its rapid growth in the new century, and China's trade has also expanded substantially. After having taken over Germany as the third largest economy in the world in 2007, China is poised to overtake Japan to become the second largest economy by the end of 2010. China also replaced Germany as the largest exporter in the world in 2009.

Moreover, China has accepted a suggestion made by former deputy secretary of state, Robert Zoellick (who is now president of the World Bank) to become a responsible stakeholder along with the United States and other countries. China has now become an active participant in international affairs, making its own

1 Deng Xiaoping, "With stable policies of reform and opening to the outside world, China can have great hopes for the future" (4 September 1989), Selected Works of Deng Xiaoping Volume 3 (Beijing: Renmin Chubanshe, 1993), pp. 315-321. Deng Xiaoping, "The international situation and economic problems" (3 March 1990), Selected Works of Deng Xiaoping Volume 3, pp. 353-358. Deng Xiaoping, "Seize the opportunity to develop the economy" (24 December 1990), Selected Works of Deng Xiaoping Volume 3, pp. 363-365.

2 These are current prices.

3 China Statistical Yearbook (2007) (Beijing: China Statistics Press, 2007), pp. 57, 60.

4 Deng Xiaoping, "Seize the opportunity to develop the economy" (24 December 1990), Selected Works of Deng Xiaoping Volume 3, p. 363.

contribution to world peace and development according to its own conditions and abilities.

China has actively participated in activities of various international organizations and developed bilateral and multilateral relations with many countries in the world. China has been a major player in the Six-Party Talks on the nuclear issue of the North Korea; has worked with the United States and other countries over the Iran nuclear issue; and has been a contributor to the UN peacekeeping forces around the world.

Most recently, China has worked with other members of the G-20 in stabilizing global economic environment and reforming the world finance system. China has also engaged with the United States, European Union, and Japan on climate change issues and made pledge to cut its carbon intensity by 40 to 45 percent by 2020 from the 2005 level.¹

Since he assumed office in 2003, President Hu Jintao has developed a set of new thoughts on international affairs.² According to Zhang Xiaotong, a researcher at the Central Archive Research Office, Hu Jintao has developed a new perspective of the times with five theoretical elements. The first is about the historical changes of the world. Hu Jintao believes that today's world is experiencing unprecedented historical changes, presenting both opportunities and challenges. On the one hand, the emergence of big developing countries such as China and India has become a major trend of international development. On the other hand, the international order in which developed countries are dominant in terms of comprehensive state capacity and core competitiveness remains the same. Developed countries have strived not only to maintain and expand the old international political and economic order but also to seek greater political and economic interests. They still play important roles in international affairs. The rapid development of modern science and technology, especially in the areas of information and life sciences, has significantly promoted economic growth with ramifications for politics, economics, culture, the military, and society as well as for the mode of production and the way of life. Future competition will be in the area of strategic high-tech.

The second is about building a harmonious world. Although there are increasingly more regional conflicts in the world, all countries in the world also have strong desires to seek peace, cooperation, and development. They are willing to build a harmonious world. Hu Jintao first put forth the concept of building a harmonious world in his visit to Russia in May 2003 and has fully developed the theory ever since. This theory requires countries of the world to promote political democratization in international relations; to promote economic globalization that is balanced, beneficial to all, and win-win; to seek the resolution of international disputes through peaceful means and safeguard world peace; to work together to protect the earth—the common home of the mankind.

Third, it is the theory of common development. In an interdependent world, all countries have common interests in development. Development has become an effective means for all governments to promote economic growth and solve social problems. But the world has yet to find a path to development for all countries. Hu Jintao has proposed to promote common development of all

1 26 November 2009, Xinhuanet, http://news.xinhuanet.com/politics/2009-11/26/content_12545939.htm.

2 This paragraph is based on an article about Hu Jintao's theories on international affairs written by Zhang Xiaotong, <http://news.163.com/09/1124/06/5OS6C7420001124J.html>.

countries for common prosperity and has assured the world of China's peaceful development policy.

Fourth, it is the theory of common responsibility. According to Hu Jintao, we are all living in an earth village and facing global issues together. In the 21st century, human society has faced various global challenges such as the global financial crisis, energy issues, climate change, food security, public health problems, and natural disasters. Therefore, all countries should work together and take common responsibility for handling these common problems. On climate change, countries should take "common but differentiated responsibility." On the global financial crisis, main developed countries should take main responsibility in stabilizing world economic and financial order and in fighting trade and investment protectionism; and all countries should coordinate their macro economic policies, reform the existing international financial system, deepen international financial supervision cooperation, and promote world economic recovery.

Fifth, it is the theory of active participation. This in fact is about China's role in international affairs. In the past 30 years, China has successfully switched its economic system from a centrally planned system to a market-oriented one, creating a "China model." Hu Jintao believes that China should combine self-independence with active participation in economic globalization. This is because China's relations with the rest of the world have changed fundamentally. First, China's economy has become an important part of the world economy. In 2007, China's share of World GDP was more than five percent; China's imports and exports were eight percent of the total world trade; and China became the third largest importer of the world. By the end of 2008, China had actually utilized more than US\$850 billion of foreign direct investment; China had become the second largest commodity futures market, after the United States. China's contribution to the World economic growth is more than 10 percent; its contribution to World trade growth is more than 12 percent. Second, China has become an important member of the international system. China has joined more than 130 governmental international organizations, signed more than 300 international treaties, participated in more than 20 United Nations peace missions, and has been involved in solving major international hot issues such as the North Korean nuclear issue, the Iranian nuclear issue, and Darfur of Sudan. China has worked with other countries on dealing with many global issues such as global financial crisis, climate change, environmental protection, energy security, and public health problems as well as terrorism. The relations between China and the rest of the world have become so that China's development will have increasing impact on the world and the change in the international environment will increasingly have bearing on China's development.

In this new context, China's relations with Africa have also changed significantly. China's new policies in Africa have followed its economic logic and political logic. Economically, China is looking for natural resources to satisfy its increasing demand. Politically, China wants to consolidate its traditional friendship with developing countries in Africa as well as elsewhere.

Technically, Africa is not a single unit for China in terms of trade. A larger unit for China is Western Asia and Africa.¹ In the Ministry of Commerce, there is a Department of Western Asian and African Affairs. Three divisions under the department deal with different parts of this unit: Division I works with countries in western Asia and northern Africa; Division II, countries in central and western

1 <http://www.mofcom.gov.cn/mofcom/xyfzhou.shtml>.

Africa; and Division III, countries in eastern and southern Africa.¹

China's trade with African countries fluctuated in the early years but increased substantially in the past two decades. China's trade with all African countries was only US\$12 million in 1950. Twenty years later, it increased to US\$177 million. The bilateral trade declined in the 1980s. It went from US\$960 million in 1980 to only US\$935 million in 1990.² However, the bilateral trade increased in the 1990s and substantially expanded in the first decade of the 21st century. China's trade with Africa increased more than 10 times from 1990 to 2000. The bilateral trade passed the 10-billion mark in 2000, registering a total of US\$10.6 billion. In 2000, the trade between China and Africa jumped by 63.3 percent over 1999. From 2000 to 2008, China's trade with Africa increased another 10 times, reaching US\$106.8 billion in 2008.³ For six consecutive years from 2003 to 2008, China's trade with Africa expanded by more than 30 percent annually.

China's trade with African countries as a whole is more or less balanced but its trade with individual countries is various. China's total trade with Africa was US\$106,842 million in 2008, including US\$56,002 million of imports and US\$50,840 million of exports. China had a trade deficit of US\$5,162 million for the year. Among top 10 trading partners in Africa, China had trade deficits with Angola, South Africa, Sudan, Congo, Libya, and Equatorial Guinea; and trade surpluses with Nigeria, Egypt, Algeria, and Morocco.

Angola is China's no. 1 trading partner in Africa. In 2008, the bilateral trade went up by 79.3 percent over 2007, reaching US\$25,311 million. Angola's trade surplus was US\$19,452 million because its exports to China were US\$22,382 million and imports from China were only US\$2,930. Angola was the second largest supplier of oil for China in 2007, providing 31 million tons to China.⁴ Angola became the largest supplier of oil for China in 2009. In October 2009, Angola exported 3,825,000 tons of oil, followed by 3,816,000 tons from Saudi Arabia, which in turn is followed by 1,646,000 tons from Iran.⁵

Sudan's trade with China follows the similar pattern.⁶ Sudan was China's no. 3 trading partner in Africa in 2008, with a total trade of US\$8,178 million. Sudan's trade surplus with China was US\$4,480 million, with US\$6,329 million exports to China and US\$1,849 million imports from China. Sudan is also a major supplier of oil for China.⁷

Similarly, Congo, Libya, and Equatorial Guinea also enjoyed trade surpluses with China because of their oil supplies. In 2008, Congo, Libya, and Equatorial Guinea had trade surpluses with China in the amount of US\$3,116 million, US\$966 million, and US\$1,991 million, respectively.

In contrast, Nigeria, China's no. 4 trading partner in Africa, had huge trade deficits with China. In 2008, the bilateral trade was US\$7,266 million, 67.7

1 <http://xyf.mofcom.gov.cn/aarticle/gywm/200203/2002030002545.html?1503448521=234575841>.

2 <http://www.daynews.com.cn/sxrb/aban/A3/43380.html>.

3 http://news.xinhuanet.com/world/2009-01/19/content_10684706.htm. However, it should be noted, China's trade with Africa is only a small fraction of China's total foreign trade. The former is only 4.2 percent of the latter, which totaled US\$2,561,630 million in 2008.

4 <http://qiaobao.peoplexz.com/32126/20091126112348.htm>.

5 <http://www.ccin.com.cn/front/home/templet/default>ShowArticle.jsp?id=101146>.

6 For a brief account of the bilateral relations, see <http://www.china.com.cn/chinese/zhuanti/lccfw/825059.htm>.

7 For a brief account for the 10-year activities of China National Petroleum Corporation (CNPC) in Africa, see <http://www.oilnews.com.cn/zgsyb/system/2006/11/06/001025410.shtml>.

percent more than 2007. Nigeria's trade deficit, however, was US\$6,248 million because its imports from China were US\$6,757 million and its exports to China were only US\$509 million. Nigeria is the largest producer of oil in Africa, but it is not a major supplier of oil to China.

China is also a major investor in Africa. China's investment in Africa expanded very rapidly in recent years.¹ In 2003, China's investment was only US\$74.8 million. It increased more than three times in 2004, reaching US\$371.4 million. After another two years of more than 20 percent increase, China's investment in Africa doubled from 2006 to 2007, reaching US\$1,543.3 million. However, China's investment is only a small of its overall foreign investment. China's cumulative investment in Africa was US\$4,462 million by 2007, taking only 3.8 percent of China's foreign investment.

China's major destinations in Africa include South Africa, Nigeria, Sudan, Zambia, Algeria, and Niger, among others. Investment in Angola, China's no. 1 trading partner in Africa, increased very rapidly in the past few years. From 2003 to 2005, China's investment in Angola was no more than half a million US dollars. The investment jumped to more than US\$ 22 million in 2006 and further to US\$41.2 million in 2007. By the end of 2007, China's cumulative investment was US\$ 78.5 million.²

Along with mutually beneficial economic relations, China has also established strategic partnership with Africa. During his six-country visit to Africa in May 1996, President Jiang Zemin proposed to establish long-term stable and comprehensive cooperative relations with African countries in the 21st century.³ In a speech titled "Establishing a new historical monument for Sino-African Friendship," Jiang suggested five points for developing China's relations with Africa in the new century. First, both sides should become friends of all seasons. China and Africa had similar historical experiences and would face common tasks. Africa needs China, and China needs Africa. The friendship between China and Africa would not change because of time or change in international order.

Second, both sides should have mutual respect for each other's sovereignty and follow the principle of non-interference. China will always respect national characteristics, religious beliefs, and cultural traditions of African countries, respect their choice of political system and development path, and respect their efforts to safeguard their sovereignty, maintain domestic stability and unity, and develop their economy and promote social progress. China supports African countries to resolve their disputes peacefully without external interference.

Third, China would develop mutually beneficial economic relations with African countries and seek common development. China would support African countries' efforts to develop their economy and continue to provide government aid without any political conditions. Both sides should work together to revitalize China's aid projects through joint venture and encourage Chinese companies to conduct various forms of mutually beneficial cooperation. China would make efforts to increase its imports from Africa.

1 http://cn.chinagate.cn/reports/2009-03/09/content_17410755_5.htm.

2 China Commerce Yearbook (2008) (Beijing: Zhongguo Shangwu Chubanshe, 2008), p. 214. A different source, however, indicates that by the end of 2008, China's total investment in Angola could be as high as US\$3.1 billion. <http://www.azlw.net/news/html/?50.html>.

3 Jiang visited Kenya, Ethiopia, Egypt, Mali, Namibia, and Zimbabwe. For details, see Zhong Zhicheng, Weile Shijie Gengmeihao: Jiang Zemin Chufang Jishi (For a Better World: Jiang Zemin's Foreign Visits) (Beijing: Shijiezhishi Chubanshe, 2006), pp. 149-180.

Fourth, both sides should strengthen their consultation on international affairs. China has cooperated with African countries in the United Nations and other international organizations over the years. China would continue to speak up for African countries at various international forums and ask the international community, especially developed countries, to help reduce the debt burdens of the African countries.

Fifth, China and African countries should work together to create a better world. They would work along with peoples of all peace-loving countries to establish a new international political and economic order that is based on the five principles of peaceful coexistence and is just and reasonable.¹

In response to requests from some African countries, the Chinese government proposed in October 1999 to start a China-Africa forum.² The First Ministerial Conference of the China-Africa Cooperation Forum (FOCAC) was held in October 2000 in Beijing. About 80 ministers from more than 40 African countries attended the forum.

China's relations with Africa entered a new era under the administration of Hu Jintao and Wen Jiabao. Hu Jintao made his first visit to Africa in 2004 as President. This was his third visit to Africa as a Chinese leader. As Vice President, he visited four African countries (Madagascar, Ghana, Cote D'Ivoire, and South Africa) in January-February 1999;³ and Uganda in January 2001.⁴ During his trip in 2004, he visited Egypt, Gabon, and Algeria as well as France.⁵ He subsequently visited Africa three more times. He visited three countries (Morocco, Nigeria, and Kenya) in 2006; eight countries (Cameroon, Liberia, Sudan, Zambia, Namibia, South Africa, Mozambique, and Seychelles) in 2007; and three countries (Mali, Senegal, Tanzania, and Mauritius) in 2009. As President of the People's Republic of China, Hu Jintao has visited most African countries so far. He has visited altogether 18 separate African countries.⁶

More importantly, under the new administration, the Chinese government released a document on its policy toward Africa in January 2006. This was the first time that the Chinese government publicly announced a comprehensive policy toward Africa. For China, Africa is of great importance because it is a continent where developing countries are most concentrated; African countries are an important force for world peace and development. Since China is the largest developing country in the world, it is only natural for China to establish "new strategic partnership" with African countries in all areas.

In political relations, China would continue its high-level exchanges with African countries. China's National People's Congress would expand its exchanges with its counterparts in African countries. The Chinese Communist Party would conduct exchanges of various forms with all political parties and organizations in African countries. China would establish various bilateral mechanisms to promote dialogue and consultation. China would cooperate with African countries in international affairs. The Chinese central government

1 For the complete text in Chinese, see Renmin Ribao, 14 May 1996, p. 6.

2 <http://gb.cri.cn/27824/2009/11/02/1545s2665520.htm>.

3 <http://news.hunantv.com/x/f/20090210/138154.html>.

4 <http://news.hunantv.com/x/f/20090210/138155.html>.

5 For details, see http://www.xinhuanet.com/world/hjtcf_ofsg/index.htm.

6 President Jiang Zemin ranked the second, with 13 visits to 12 separate African countries. He visited Egypt twice, in 1996 and 2000.

would also support exchanges among local governments between China and Africa.

In economical relations, China would adopt active measures to expand bilateral trade with African countries; encourage Chinese companies to invest in Africa; and develop cooperation with Africa in finance, agriculture, infrastructure, energy, and tourism. China would help African countries reduce their debt to China and appeal to the international community, especially developed countries, to take substantial actions regarding African debt. In the meantime, China would continue to provide assistance to Africa without any political preconditions.

China would also work with African countries in other areas such as human resources, science and technology, cultural exchanges, medical care and health, news and media, civil service, non-government exchanges, environmental protection, and security and non-traditional security.¹

Subsequently, the China-Africa Cooperation Forum held its first summit along with the third ministerial meeting in Beijing in November 2006. In his opening remarks at the summit, President Hu Jintao reiterated China's desire to work with African countries in five areas of political relations, economic cooperation, cultural exchanges, balanced global development, and international cooperation in order to develop a new strategic partnership with Africa.

He also promised to adopt eight policy measures to promote China-Africa cooperation. First, China would increase its African aid. The aid size in 2009 would double that of 2006. Second, China would provide preferential loans of US\$3 billion and preferential buyer's credits of US\$ 2 billion within the next three years. Third, China would set up a China-Africa Development Fund that would reach US\$ 5 billion to encourage and support Chinese companies to invest in Africa. Fourth, China would assist in building a conference center for African Union (AU). Fifth, China would cancel all the government interest-free loan debt that matured at the end of 2005 owed by the heavily indebted poor countries and the least developed countries in Africa that have diplomatic relations with China. Sixth, China would further open up its market to Africa and increase zero-tariff commodities from the least developed African countries having diplomatic relations with China from 190 to more than 440. Seventh, China would establish three to five economic and trade cooperation zones in African countries. Eighth, China would train 15,000 African professionals in the next three years, send 100 senior agricultural experts to Africa, establish 10 special agricultural technology demonstration centers in Africa, build 30 hospitals in Africa, provide a grant of three billion yuan for setting up 30 malaria prevention and treatment centers, dispatch 300 youth volunteers, build 100 rural schools, and increase government scholarships for African students from 2,000 per year to 4,000 per year by 2009.²

According to Chen Deming, minister of Commerce, the eight measures President Hu Jintao announced in 2006 would all have been implemented by the end of 2009.

Among others, China's aid to Africa would double by the end of 2009; China's loans would be in place; and the China-Africa Development Fund began its operation with US\$ 1 billion for the first phase. China had already waived 33 countries 154 loans and increased zero-tariff commodities from 30

1 For a complete text in Chinese, see <http://news.hunantv.com/x/f/20090210/138157.html>.

2 For a complete text in Chinese, see http://news.xinhuanet.com/world/2006-11/04/content_5289040.htm

least developed African countries to 478 items. As a result, China-Africa trade increased more than 30 percent for three consecutive years, passing the US\$10-billion mark in 2008; and China's total investment in Africa had reached US\$7.8 billion, with more than 1,000 Chinese companies in Africa.¹

In his speech at the opening of the Fourth Ministerial Conference of the China-Africa Cooperation Forum (FOCAC), Premier Wen Jiabao announced eight new measures to strengthen China-Africa cooperation. First, China would establish partnership with Africa in addressing climate change. China would hold high-level consultations with African leaders and cooperate with African countries on satellite weather monitoring, development and utilization of new energy sources, prevention and control of desertification, and urban environmental protection. China would assist Africa in building 100 clean energy projects, covering solar power, bio-gas, and small hydro-power.

Second, China would enhance cooperation with Africa in science and technology. Under the umbrella of a China-Africa science and technology partnership, China would carry out 100 joint demonstration projects on scientific and technological research with Africa, receive 100 African post-doctoral fellows to conduct scientific research in China and assist them in going back and serving their home countries.

Third, China would provide another US\$ 10 billion in concessional loans to African countries, support Chinese financial institutions in setting up special loans for small and medium-sized African businesses. For the heavily indebted poor countries and least developed countries in Africa having diplomatic relations with China, China would cancel their debts associated with interest-free government loans due to mature by the end of 2009.

Fourth, China would further open up its market to African products. China would phase in zero-tariff treatment to 95 percent of the products from the least developed African countries having diplomatic relations with China, starting with 60 percent of the products within 2010.

Fifth, China would further enhance cooperation with Africa in agriculture. China would increase the number of agricultural technology demonstration centers in Africa to 20, send 50 agricultural technology teams to Africa, and train 2,000 agricultural technology personnel for Africa.

Sixth, China would deepen cooperation in medical care and health with Africa. It would provide medical equipments and anti-malaria materials worth 500 million yuan to the 30 hospitals and 30 malaria prevention and treatment centers and train 3,000 doctors and nurses for Africa.

Seventh, China would continue to work with Africa in human resources development and education. It would build 50 China-Africa friendship schools and train 1,500 school principals and teachers for African countries. By 2012, China would increase the number of Chinese government scholarships to African students to 5,500. China would train a total of 20,000 professionals of various fields for Africa over the next three years.

Eighth, China would expand people-to-people and cultural exchanges. Under the umbrella of a "China-Africa joint research and exchange program," scholars and think tanks from both sides would increase their exchanges and cooperation, share development experience, and provide intellectual support for formulating better cooperation policies for governments in China and Africa.²

1 http://news.xinhuanet.com/world/2009-11/09/content_12414679.htm.

2 For the complete text in Chinese, see http://news.xinhuanet.com/world/2009-11/08/content_12411492.htm.

Clearly, China's partnership with Africa has become comprehensive and strategic. They are no longer simply political and economic partners but comprehensive strategic partners.

V. CONCLUDING REMARKS

In the past six decades, China has experienced fundamental shifts in terms of its design of global governance twice. In the era of Mao Zedong, China was a revolutionary state, aiming to create a united front against hegemonism.

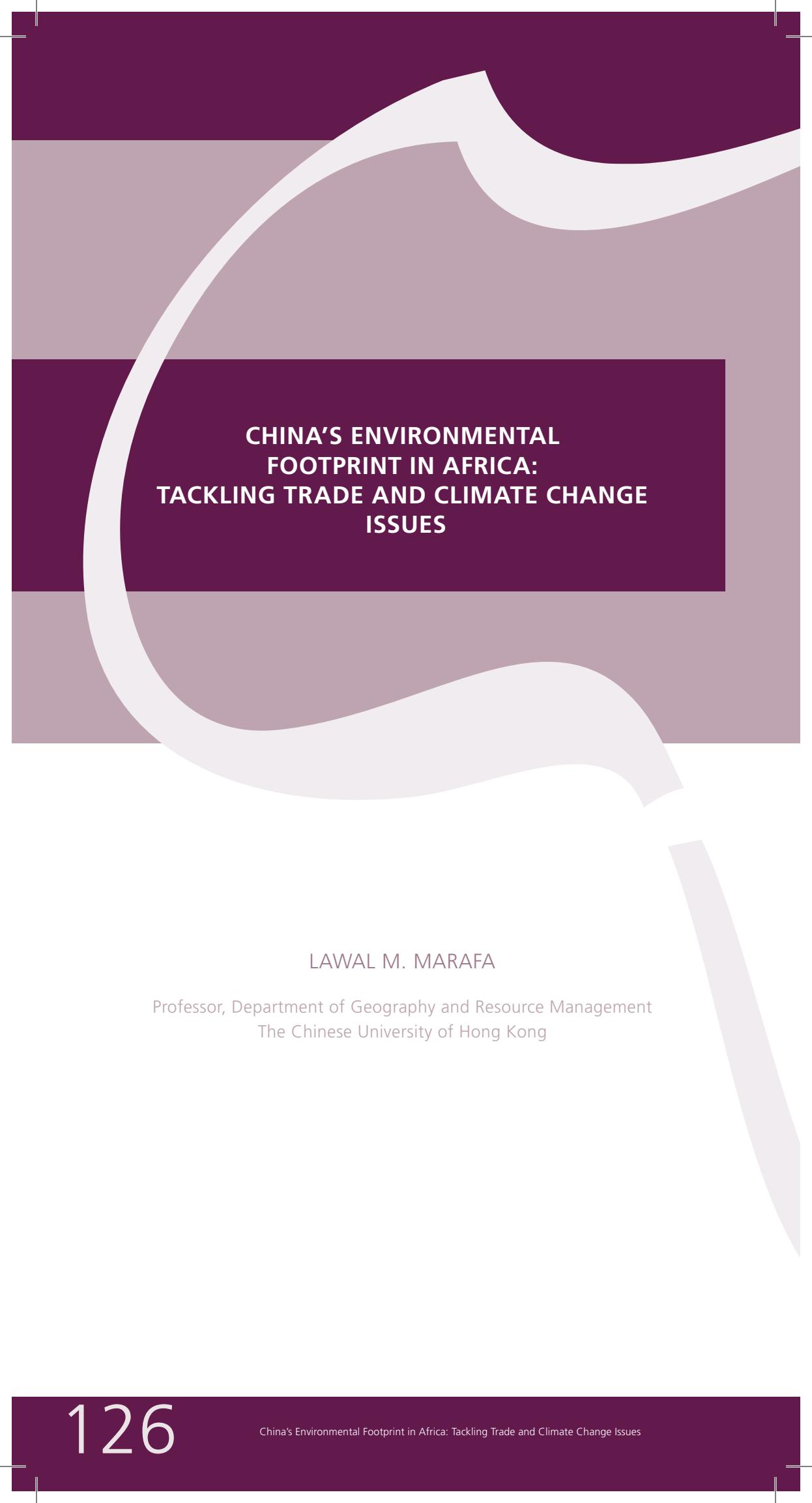
Under the leadership of Deng Xiaoping, China experienced the first fundamental shift in the 1980s and 1990s, from a revolutionary state to a status quo state. China no longer challenged the existing international order. Instead it tried to work with the existing world order for its own benefits. Since China's top priority has become economic development, a peaceful international environment is imperative. Instead of opposing the two superpowers, China established diplomatic relations with the United States in 1979 and normalized its relations with the Soviet Union 10 years later.

China's design of global governance experienced another fundamental shift under the leadership of Hu Jintao, from a status quo state to a responsible stakeholder. With the rise of China as an economic and financial power, China's leadership has decided to play a more active role on the international stage as a responsible stakeholder. China is aiming at building a world of peace, prosperity, and harmony.

Africa has played different roles in China's design of global governance during these different periods. During Mao's era, African countries were China's political partners. Many African countries established diplomatic relations with the People's Republic of China in the 1960s, and they were main supporters for the PRC's bid for returning to the United Nations. With their strong support, the PRC regained its seat at the United Nations and the ROC representatives were expelled in October 1971.

Africa's significance declined somewhat in the era of Deng Xiaoping when China pursued economic development and worked more closely with the West. A number of African countries played the games between the PRC and the ROC in the 1990s. They switched their diplomatic relations back and forth in order to gain economic returns.

Africa became an important partner with China again in the new century. With the surge of China's demand for natural resources, China has developed closer ties with Africa. With the inauguration of the China-Africa Cooperation Forum (FOCAC) in 2000, the bilateral relationship entered a new stage. China and Africa have since become comprehensive strategic partners. They have worked together in many areas of political cooperation, economic development, environmental protection, social reforms, and cultural exchanges.



CHINA'S ENVIRONMENTAL FOOTPRINT IN AFRICA: TACKLING TRADE AND CLIMATE CHANGE ISSUES

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INTRODUCTION

Although historically Africa has been close to the west politically and economically, the rise of Asia is significantly changing the landscape of relationships. China, Japan, India and Malaysia and Singapore are now major players in the economy of Africa. For example, China and India are increasingly becoming major importers and exporters to and from Africa. In 2008, China – Africa trade volume reached USD106.8 billion and China now has trade links with more than 50 African countries. On the other hand, India has trade agreements with about 30 countries. Bilateral trade between India and Africa reached USD30 billion in 2008. While Japan, Malaysia and Singapore have all engaged Africa in business relationships, the release of China's Africa Policy in 2006 has highlighted the strategic importance of this engagement.

In this era and new found relationship, the footprint that China has continued to put on the African continent is worth acknowledging. Increasingly, there is the evidence of this relationship in the growing number of high level of visits on the one hand and the evidence of infrastructure all across Africa on the other. Over the past few decades, China has emerged as a leader in global business according to Bjorn Stigson, president of the World Business Council for Sustainable Development (WBCSD) a coalition of some 200 companies dealing exclusively with business and sustainable development. China now literally rules the world economically as it is undeniably the manufacturing centre of the world. As the rest of the world watches, China is witnessing rapid economic progress. It is this achievement and the vision for further progress and development that has transformed China's relationships with the rest of the world and in particular with Africa. The economic progress of China and its resultant transformation has meant that there is growing demand for natural resources and increasingly growing use of energy resources. The need for resources and quest for development has made China a leading consumer of natural resources as well as leading producer of consumer goods (Servant, 2005). Consequently, Africa has now become a major source for China's natural resource requirement as well as a major market for China's consumer goods. It has also become a major source of China's energy requirement. Many figures have shown that China now imports between 14 and 28% of its oil requirement from Africa. According to Meidan (2006), and other scholars, in 2003, China imported 22.5 million tons of African oil, 18 percent of its total imports, and in 2005, Africa's share rose to almost a quarter of total imports, with 38.5 million tons.

Given the various stages of China's political engagement with Africa, this relationship has become strategic (Wenping, 2009). While the relationship can be seen as strategic, it can be identified as economic and trade, development and can also be identified now as consisting of challenges in global warming and climate change. As China continues to develop and create a "new strategic partnership" with Africa, the impact that this brings to Africa will continue to increase. China's footprint on the African continent can be traced back to the Bandung conference shortly after which diplomatic relations were established. Even though relationships were politically motivated at the beginning, tangible development and economic relationships were gradually established.

As China opened up in the 1970's it continued to become more developed and prosperous. The need for resources increased, and there was also a growing clout. It has even been predicted that by the year 2050, China will be the biggest economy in the world. By this token, it will also certainly be politically as well as militarily powerful. China's continuous rise has been a major concern to many western commentators. Consequently, its growing influence on the African continent has been met with skepticism (Ojakorotu and Whetho, 2008). This is not surprising giving that Africa has been at the receiving end of colonialism until about three decades ago. Even when political independence was achieved, globalization again brought African countries at the mercy of western capitalists. Policies in the western capitalist systems dictated the flow of capital, the flow of resources and for sometime the invention and flow of technology. China as a "late comer" has made significant foray into Africa and has brought along an alternative to the western "trend" of globalization.

Globalization is generally seen as a western concept (Jin Bei, 2009). Martin Jacques (in his book titled "*When China Rules the World*") had earlier argued that globalization connotes a western assumption that countries modernize if and when they take on western characteristics. But as China increasingly

becomes powerful and thus influential, it is likely that it will reshape the notion of globalization in due course. Through the process of reform, China has recorded unparalleled growth, making achievements in industrialization, infrastructure, poverty reduction, etc., all in the past 2 – 3 decades. According to Peter Yam, chairman of Emerson Electric China Holdings Co Ltd., "Thirty years ago China was poor, isolated, with little international trade, few cars but millions of bicycles, clothes were either blue, green or grey, people earned little money and there was little to buy. Who would have thought China would become in 30 years the third largest economy in the world? Now, the country boasts a 9.8 percent growth rate.

As the need for economic growth and development becomes the basis of policies related to the exploitation and flow of resources, they afflict consequences on local environment, leaving behind indelible footprints. This paper therefore, addresses the increasing trend of globalization, the impact of China Africa trade and the concern on environmental footprint and climate change especially on the African continent.

CHINA AFRICA TRADE

The trade between China and Africa is booming and the growth has been exponential. While the trade value was about USD6.4 billion in 1999, it grew to USD29.6 billion and in 2005 reached USD39.7 billion. By the end of 2008, the value of the trade has gone beyond USD100 billion. For Africa, as a continent that contributes a mere 2% to global trade, there is potential to increase collaboration with pro-development partners to take advantage of the occasional global economic instability and redirect trade to the benefit of the developing economies in which Africa will gradually form a major block. Although trade is a major bridge between countries, industrialization provided an earlier framework for categorizing nations. Africa has existed thus far without concrete trends of industrialization. Resources in Africa have long been exploited and transported without adding value.

According to Jin Bei, 2009, industrialization has spread to more countries worldwide and as a result natural resources have been exploited and utilized on an unprecedented scale. It is this trend that is posing challenges and leading to unsustainable development. For a long time in human history, we are witnessing the greatest era of economic development and wealth creation. Following "the age of industrialization"...trade and to some extent economic development are now being used to influence living standard, quality of life, etc. This trend has improved a great deal the standard of living and increased the level of social welfare of many of the world's population. But Africa has not benefited and indeed has lagged behind in this era. Although the natural resource endowment varies from country to country, "the technological essence of industrialization is to develop and utilize natural resources more efficiently". The history of partnership and trade in Africa has not reflected development and utilization of resources efficiently. But as the notion of sustainable development is now set to influence the trend of globalization, frameworks can be put in place that can allow Africa to benefit from its enormous amount of natural resources.

According to some scholars, the significance of industrialization for environmental change is twofold: on the one hand, the purpose of developing industry is to improve the standard of living, including environmental quality on the other hand, industrialization should lead to a better living standard,

quality of life, etc. In fact, Africa boasts abundant industrial minerals and other natural resources. In addition to oil, other resources include copper, bauxite, uranium, aluminum, manganese, iron ore etc. While some have already been discovered and are being used, others are in reserve and stock and some are yet to be discovered. If these resources continue to remain undiscovered and undeveloped, Africans will continue to live in perpetual poverty. It is therefore necessary to explore, exploit, trade and use these resources effectively for the benefit of humanity.

In the current global economic structure, industrialization entails economic globalization and complete economic globalization necessitates four basic principles: trade, investment, technology and migration. In this discussion of trade, globalization and world affairs, when Africa is mentioned, it is stereotypical. The dilemma that is often highlighted includes food and famine, infrastructure, industrialization etc. As a corollary to these, war, large population growth, poverty and penury, need for development are all indicated. But with the potential that Africa exudes, it can rightly be seen as the last frontier for both moral and business values (Marafa, 2008). The recent changes in Africa allude to this. There has been economic growth, political stability, changes in governance, democracy, etc.

Understanding the potential that Africa possesses, China increased its commitment to the continent (Meidan, 2006). In fact, at the FOCAC meeting of 2006 in Beijing, there was enthusiasm for enhanced relationships (King, 2006). The result was a clear difference from the language and approach of traditional western donors. At the summit in Beijing, the discernible language in the structure of agreements mostly underlined "the two sides agreed, welcomed, recognized, decided" etc., reflecting a new pattern of Chinese involvement with Africa.

Considering the place of Africa in the global political and economic equation, major players in the world economy including countries and international financiers have had relationships that spans decades. But this new approach by China is different and has since left footprints that identified China as a welcome partner in Africa's quest for development (King, 2006). This manuscript will identify trade and investment as core themes considering that technology and migration tend to accompany trade and investment. Consequently the interaction of these has the potential to develop synergies and set a framework for forging result oriented strategies in facing the challenges posed by climate change and global warming.

CHINAS GROWING FOOTPRINTS

In the last few decades, China has gradually become a key development partner to many nations but specifically to African countries. This trend has brought tremendous impact upon Africa's economic growth and overall development. What is not clear is the extent to which this trend affected the natural environment. Also what benefits the local community derives have not been systematically documented. On the whole, the role of all these in response to climate change and global warming deserves further investigation. While this can be done on a case by case basis, an overall framework can be used to articulate this environmental footprint on the African continent.

For example, in 2007, China provided finance for as much infrastructure in Africa as all the G8 countries added together. Although China's aid started long

time ago, it has remained modest until recently and now is set to double and might even overtake aid from Africa's traditional western donors. For Africans, it is the growing trade and investment with China that is gradually impacting on the continent. As a testimony to this growing relationship, Premier Wen Jiabao visited several African nations in 2006 and promised to double aid, established a USD5 billion investment fund and pledged USD3 billion in loans. In terms of investment drive, China's energy companies (CNOOC, Sinopec, etc) announced plans to spend at least USD1 billion on oil and gas fields on the continent.

In addition the successes that China has recorded in all spheres of development and especially in poverty reduction can be models for African nations and be major opportunities for emulation. Although many scholars and observers have highlighted African resources as playing a major role in its relationship with China, this can also be said to be true with the western countries. While Africa's traditional western partners have been enjoying the accessibility to African resources, the Chinese traders and businesses are gradually benefiting from the flourishing friendship and cordiality that now firmly exists between governments of China and Africa. In this regard, official trade statistics are impressive.

MANAGING THE GLOBAL CRISIS

According to the international community (United Nations, World Bank), Africa needs tens of billions of dollars per annum, to finance infrastructure development, sustain economic growth and eradicate poverty. As the African economy lacks this capacity, it has to rely on external sources in the name of aid and or trade and investment. Although Official Development Aid (ODA) to Africa reached USD 22.5 billion in 2008, it is expected to drop by 15 – 20 percent given the global financial crisis particularly in the last two years. In addition to this, recently, there is also a drop in investment and FDI to Africa. The global financial crisis therefore has exposed the reality that to deal with Africa, there has to be a long-term commitment and not a quick rush for profit which has characterized its business relationships with traditional partners.

As the financial crisis continued to hit global economies, China continued the trajectory of aid, trade and investment on the African continent. China is maintaining its existing levels of engagement with the African continent. Indeed, according to Lee, (2009), China has undertaken significant post-recession initiatives to advance its interests on the continent through government – to – government resources, infrastructure and financial commitments and deals.

TRADE

Despite the global financial crisis, Sino-African trade had reached USD72 billion in the first 8 months of 2008 recording a 62 percent increase from the figures of 2007. The events that led to this crisis can indeed affect this buoyant trade between China and Africa. The effect is solely impacted by globalization as this is the single most important phenomena that affect financial linkages and trade channels in present day circumstances. This notwithstanding there has been widespread initiatives to stabilize the system by boosting liquidity. On the other hand, trade constitutes a significant part of the world economy and the level of trade has been rising as seen in the context of China Africa.

This is more so according to anecdotal evidence that reflect the fact that China

Africa business is mostly based on SMEs. These SMEs coming from Africa deal with cash transactions rather than letters of credit issued by banks. Although the need for economic growth and overall sustainable development are enough challenges for the African continent, the financial crisis added another twist to the equation. The critical challenges that were brought similarly provided valuable opportunities for governments, businesses and civil societies to have a re-think on their development models, growth and investment patterns. While climate change and poverty eradication are now taking centre stage with the Millennium Development Goals (MDGs) being considered in many policy frameworks, it is imminent for decision makers to consider solutions to the current crisis that will involve socially and environmentally sustainable development idles. Identifying environmental footprints and the extent that they affect the local population will go a long way in providing answers and paving directions for further cooperation.

Already in the communiqué of FOCAC 2006 in Beijing, such themes that reflect social and environmental sustainability commitments were engrained. It was articulated that in dealing with African countries, the following principles should be adhered to as follows:

that there was need for developed countries to increase official development assistance and honor their commitment to opening markets and offer debt relief to enhance Africa's capacity in poverty and disaster reduction and prevention and control of desertification, and help Africa realize the UN Millennium Development Goals;

that there was need to deepen and broaden mutually beneficial co-operation and give top priority to co-operation in agriculture, infrastructure, industry, fishing, IT, public health and personnel training to draw on each other's strength(s);

that there was need to increase dialogue between different cultures and promote people-to-people exchanges, particularly those between the young people;

that there was need to further enhance the Forum on China-Africa Co-operation;

In addition to the above commitments, it was also clearly stated that "China will give high priority to African concerns of environmental protection and sustainable development, and help African countries turn their advantages in energy and resources into development strengths". With these statements and commitments in the communiqué, the stage was set for future cooperation and what remained was the framework of implementation. In the current discourse of global financial crisis, there are also the looming problems of global warming and climate change. Where these are global concerns, consequences can be country specific. The examples that China has in addressing the challenges and facing the consequences can be replicated on the African continent.

CLIMATE CHANGE

Already at the 13th UNFCCC's Conference of Parties in Bali in 2009, the dual roles of trade and climate change were highlighted and the opportunities that they presented were underlined. It was explicitly indicated that African countries are particularly vulnerable to the physical impacts of climate change. It was further underlined that the ability of African countries to withstand and recover from global economic crisis stands to be impaired by some of the responses to

the challenges of climate change taken by other countries and the international community.

According to scholars (Sachs, 2005; Collier, 2007), the majority of African countries are facing significant levels of poverty (40 – 70%) and increased levels of climate – related threats (droughts, famine, etc). Although these countries are vulnerable and constitute only a small portion of world trade, they are considered crucial in China's quest for sustainable development. Their trade sectors such as agriculture, fisheries, tourism and even natural resources are among the most susceptible to the impacts of climate change. As China, now a major trading partner to Africa, and many or most African countries depend as much on this trade as they do for their growth, it is important to note the significance of the interface between trade and the consequences of climate change as it relates to the international policy arena and the repercussions that these will have on Africa's development.

There is no doubt that climate change has implications for Africa and these are indeed distinctive. Unlike other regions, many of the adverse consequences are increasingly becoming apparent. Naturally, at the root of climate change is global warming caused by human induced anthropogenic emissions of carbon dioxide, methane and other greenhouse gases. Other anthropogenic causes include farming and agriculture, land use change, livelihood, etc. Because of the enormous landmass of the Africa continent, there is no Africa-wide climate change effect. Some areas of Africa will become drier, others will be wetter making impacts diverse and not homogenous. Consequently, the question that arises is how will these climatic changes affect the African economies? To be able to understand this, there is need to understand the roles of the African private sector, the public sector and the international actors.

As 2012 is approached, the timeline set for the reduction of emissions referred to as the Kyoto targets, frameworks are being postulated where global trade and climate change regimes can be used in concert. Already, the UNFCCC and the Doha Communiqué specifically suggested the upholding of an "open and non-discriminatory multilateral trading system, and acting for the protection of environment and promotion of sustainable development can and must be mutually supportive", (World Development Report, 2010). Although many countries have been reluctant to bring trade and climate regimes closer, trade in innovative clean energy technologies could offer an economic opportunity for developing countries.

In comparison to other major powers and China, Africa contributes only 3.8% of greenhouse gasses but will suffer worst impacts resulting from climate change. While there is a moral need to mitigate these impacts, there is also a trade and investment opportunity that could accrue if measures are taken to contain and adopt to climate change challenges.

TRADE CLIMATE CHANGE AND DEVELOPMENT

Adaptation to CC is one of the most important challenges for Africa given that the continent is a minor contributor to green house gasses. Understanding the historical role of industrialization and the use of resources, China has the capacity to lead a new global role in diffusion of existing technologies (low carbon) as well as promotion of energy efficient technologies (examples are solar energy, biogas, new building technologies, etc.). Many of these technologies and especially those that have impact to rural communities will have huge impact

and be relevant for Africa. Such technologies will help address climate change challenges and also increase access to energy, support rural development and continue to make Africa a continent with low contribution of green house gasses. According to Stern Review report (2007), this is a possible way of facing these challenges.

Climate change has many impacts. The consequences of climate change on agriculture could vary even at regional levels. But the global food production might increase with changes in temperature from 1 to 3 degrees in temperate climates, and could decrease in warmer climates. Along with some parts of Asian region, especially the Indian Sub Continent, African agriculture will indeed be most affected. According to International Food Policy Research Institute (IFPRI), the decline in agriculture as a result will increase the number of undernourished people in Sub Saharan Africa from 138 to 410 million people by the year 2080.

Some of the adaptation and mitigation methods that African countries will need to implement a framework of implementation will include new innovation in agriculture, tourism, and the development of renewable energy. These are easily implementable in most African countries. Together with China and other international partners, governments should be encouraged to pursue public – private partnerships and development projects that can address innovations and strategies in the agricultural, tourism and energy industries. Noting that many African countries will lack the finances and technological capacities to implement this trend the following will have to be articulated:

- start gradually by technology diffusion rather than technology transfer
- increase investment in infrastructure and build up public and private partnerships
- involve the private sector in technological transfer and diffusion (this is crucial as most innovation occurs at the level of businesses and not mostly in the policy spheres).

In the past decades, there has been unprecedented economic growth. This has led to increase resource extraction and some environmental modification. In fact, between 1981 and 2005, the global GDP more than doubled. Consequently over 60% of world ecosystems were exploited unsustainably according to the recently completed millennium ecosystem assessment. According to UNEP, investment of 1% of global GDP can be very useful in developing green infrastructure and mitigating the negative aspects of accelerated growth. As an example, there was a spontaneous global response to the financial crisis in which about USD 3 trillion was directed to economic recovery.

In Sub Saharan Africa, about 80% of people lack access to electricity and are highly dependent on burning biomass such as wood, charcoal and dung thus gradually contributing to green house gases. Investing in key sectors including alternative sources of energy, clean technology, ecological infrastructure and sustainable agriculture is essential for an effective greening of the energy industry and the environment as a whole. This could stimulate economic growth, create jobs and employment and reduce poverty while addressing environmental and climate change challenges.

CONCLUSION

As China's presence in Africa continues to grow, relationships will continue to be dynamic. With every opportunity, there will be a new leaf of engagement. In the current trend, while trade and investment will continue to grow and

diversify, the challenges posed by global warming and climate change will have to be confronted.

In the last few decades, the Chinese Government has attached great importance to environmental protection and identified sustainable development as a national strategy. In the communiqué following FOCAC 2006, this has also been underlined. What now remains is to pursue the framework of implementation.

Earlier in 2005 at a Sino-African cooperation forum, the Chinese Vice Premier Zeng Peian proposed the following points to serve as a platform for Sino-African environmental cooperation.

Further enhance dialogue and exchange on environmental protection between high-level Chinese officials and African officials;

Implement Sino-African environmental protection training program of human resource development;

Strengthen cooperation on environmental industries;

Enhance consultation on major multilateral and global environmental issues; and

Promote extensive cooperation between China-Africa environmental cooperation and multilateral international institutions

Acknowledging the immense political will available in this development sector, it will be necessary for this to be extended to the private sectors of both China and Africa. As China continues to develop, it is becoming a global leader in the critical low-carbon technology industries. This is indeed where investment in Africa can continue to be viable as Africa is still at the bottom of emissions. Indeed Africa contributes the least of any continent to global warming. About 40% of the gross national product of African countries flows from agriculture, and 70% of Africans are employed in agriculture. As this is a climate-related industry, investment in this sphere can help in alleviating the impacts of climate change. As China further diversifies its industries and invests in renewable energy or low carbon technologies, helping to increase industrialization in Africa can offer people alternatives allowing them to move away from climate-sensitive livelihoods.

In the first place, in order to link renewable energy production, or low carbon investments with sustainable development in Africa, their capacity will have to be harnessed. This can be facilitated as there is already a platform for investment in building long-term relationships with the African public and private sectors that could facilitate trade relationships. Trade and investment regimes can be part of the solution to the challenges and opportunities emerging from climate change. And it is the leadership of China in trade that can make this happen with African support.

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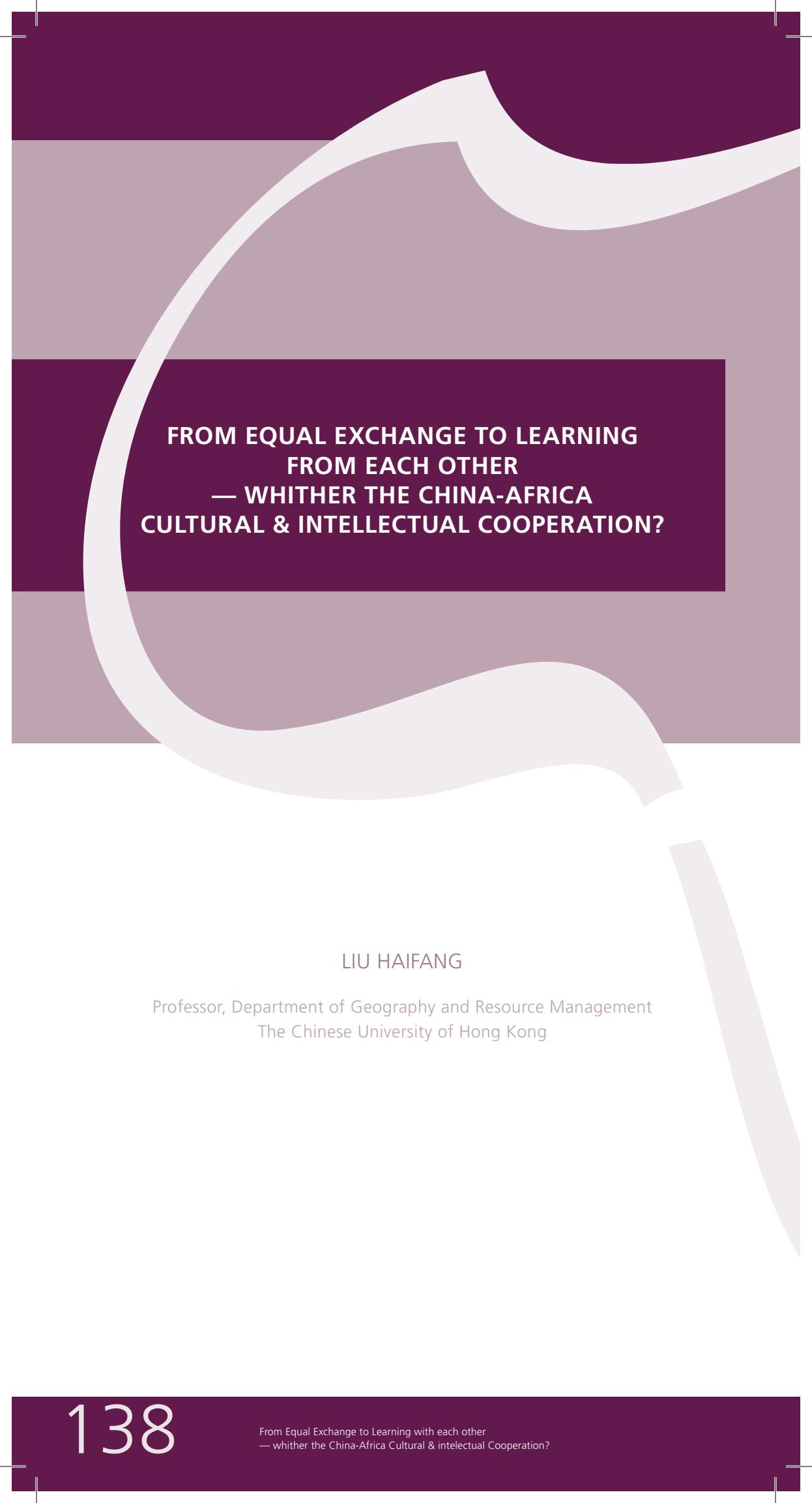
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FROM EQUAL EXCHANGE TO LEARNING FROM EACH OTHER — WHITHER THE CHINA-AFRICA CULTURAL & INTELLECTUAL COOPERATION?

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1. INTRODUCTION

Culture as one of the most frequently used words in every-day life is one of the most difficult things to be conceptualized because of a myriad of various understandings from different backgrounds. According to American linguist Sapir, "the varying concepts of culture" actually were used in 3 types of meanings, first of all, the traditional meaning: both the physical and spiritual sides of any society or community; secondly, as a conception of value system, it is formalized based on life experience of a human group of any scale and it is hence easily taken by its members as some measurer to other life styles or value systems out of the group; thirdly, as the sum total of spiritual processes of human being, culture is for self-contained harmony and balance of a people, and it could be any common attitude, view, and special characteristic as well (Sapir 1924). This analysis of culture, ranging from society to individual human being, actually shows us the predicament faced with not only by researchers but at first by border crossers from one group to another. No matter how spurious thing culture may be as Sapir realized, culture is more sophisticated in the spiritual façade than the physical though there is no stable boundary between the two facades at all for each could be transformed into another (Chen 2005, 24).

Actually, the narrowest level of definition of culture---the perfection of art, rather than the other two categories---the records of human beings and people's total way of life, is rather more often mentioned in the every-day language (Williams 1961, 41). So does it happen in China's context, officially and unofficially. This is an important starting point to understand China's external cultural policy, because many misunderstandings have happened, when compared with other countries' in particular, in a result of neglect of the basically different definitions from different perspectives (Chen 2005, 25).

2. AIMS OF CHINA'S CULTURAL POLICY

The outstanding characteristic of the Chinese external cultural policy, unlike that of American and French to accrue cultural influence, had been rather lack of a clear cultural strategy till very shortly ago (Liu 2008). It used to serve for political function when China was in a situation of international isolation from 1950s to 1960s--as a tool to develop civil or unofficial relation first before any official relations established; then since 1980s as modernization chosen to be the top priority, China's cultural diplomacy has been transformed into serving for economic interests, and this has become more obvious since the end of 1990s. Only as late as the last quarter of 2009, when the whole country was busy to celebrate the 60th anniversary of the founding of the new People's Republic of China, Mr. Cai Wu, the Minister of Culture finally published an article, which was widely accepted as a new milestone of China's external cultural policy. In this article, cultural diplomacy, cultural exchanges, external publicity, and cultural trade were identified as four areas for China's external cultural works, which means exchange with other cultures and international trades of cultural products are identified as clear strategy, along side with diplomatic functions (Cai 2009).

The China's cultural diplomacy towards Africa dates back to 1950s, and in recent years the cultural and intellectual exchanges have been dramatically accrued, currently even much more apparent compared with 4 years ago, when the researcher firstly started to investigate the bi-lateral cultural relations., such as the increasingly more Confucius Institutes as one of the most prominent initiatives rapidly stand erect widely in African continent. It is the time to ask what kind of special definition of culture China takes, gradually coming into being in the special historical context, have influenced the special approach of China's cultural policy towards Africa in reality; and then what is the aims of those cultural initiatives, if not for the sake of culture per se; and what are the new drivers for the most latest evolution since 2009? Of course, to give an objective assessment on the expected goals and loses of these undergoing cultural and intellectual initiatives for both sides is also needed, especially due to the emerging international criticism on china's potential cultural imperialism.

At the first ministerial-level meeting of Forum of China- African Cooperation dated back to November 2000, namely the Programme for China-Africa Cooperation in Economic and Social Development, culture programs were classified with sciences and technology as the 13th dimension of bilateral cooperation after trade, finance, investment, agriculture, infrastructure, tourism, and special areas like energy resource exploration and utilization, migration and debt relief and cancellation, etc. Specifically, under the cultural cooperation category, rather old and routine items were listed as following:

increasing cultural exchanges, particularly the exchange of visits by high-level cultural delegations and sports and art groups, setting up more art exhibitions in each other's territory, and making a greater effort to study and promote each other's culture.¹

Likewise, in the White Paper of China's African Policy issued on 12th Jan., 2006, cultural policy was written together with "education, science, health and social aspects" in the third field, after the political and economic fields as

¹ "Programme for China-Africa Cooperation in Economic and Social Development", available at: <http://www.focac.org/eng/wjhh/hywjt157834.htm> (accessed March 1st, 2009).

No.1 and No.2, and followed by a fourth field, namely "Peace and security".¹ This categorization seemingly didn't cause any confusion because it had been a long official tradition to divide China's international relations into these 4 fields, which could easily be found from any Chinese textbook. Slightly changed yet mostly continuingly, in the latest FOCAC action plan generated in the forth ministerial meeting in Sharm El Sheikh, culture and all types of people-to-people cooperation was itemized as the sixth cooperation area, after politics, economics and the field of development.² Yet, in term of the aims and the interrelated impact of cultural policy towards African countries, the definition of "culture" does have significant meaning which is worthwhile to be considered as a kick-start of this article to reflect the current cultural relation between China and Africa, within the Forum of China-African Cooperation in particular.

Specifically, in the white paper of China's African Policy, cultural policy, not so much new elements included, was rather a statement to be willing to continue what China has started with African countries culturally, while cultural exchanges as the only modest goal of all these activities. It goes as below:

China will implement agreements of cultural cooperation and relevant implementation plans reached with African countries, maintain regular contacts with their cultural departments and increase exchanges of artists and athletes. It will guide and promote cultural exchanges in diverse forms between people's organizations and institutions in line with bilateral cultural exchange programs and market demand.³

Obviously, as discussed above, in both files, "culture" embodies the similar meaning as art, performance, or other special spiritual entertainment activities for human being, and this also makes the preliminary level of aims of this relationship. Hereby, "market demand" as one unobtrusively expressed yet noticeable element needs to be pointed out. That is to say, to make this art, performance, etc., to serve for building the economic relations is one important and immediate aim for the Chinese cultural diplomacy, or precisely expressed as "culture makes stage, and economy puts into the show" (Liu 2008).

In November of the same year as the White Paper was issued, a Summit-level Forum of China-African Cooperation meeting was held in Beijing. Clearly, from the Declaration of Beijing Summit, culture was also used as the narrow level of meaning, though its broader meaning—the sum-total of a special way of life—was acknowledged and mentioned, such as in the following sentence:

increase dialogue between different cultures, promote people-to-people exchanges and interaction, particularly those between the young people, and boost exchanges and cooperation in such areas as culture, science and technology, education, sports, the environment, tourism and women affairs;⁴

Otherwise, in this aim, "civilization" was used instead of culture as following:
We urge that diversity of the world should be respected and upheld, that all countries in the world, big or small, rich or poor, strong or weak,

1 "China's African Policy", available at: <http://www.fmprc.gov.cn/zflt/eng/zxxx/t230479.htm> (accessed March 1st, 2009).

2 FOCAC Website, "Forum on China-Africa Cooperation Sharm El Sheikh Action Plan (2010-2012)", 2009/11/12, Available at: <http://www.focac.org/eng/dsjbjhy/hywj/t626387.htm>

3 Ibid.

4 "Declaration of the Beijing Summit Of the Forum on China-Africa Cooperation", 2006, available at: <http://www.focac.org/eng/wjhh/hywj/t280370.htm> (accessed March 1st, 2009).

should respect each other, treat each other as equals and live in peace and amity with each other, and that different civilizations and modes of development should draw on each other's experience, promote each other and coexist in harmony.¹

Apparently, from this statement of the ultimate goal, any culture as an individual self-contained category, should exist by its own, for its own and in its own right, therefore only "dialogue" and "drawing experience" from each other could happen during the process of cultural exchange, and any possible cultural assimilation is never ever the aim of the Chinese government, this is no doubt in line with the underlying philosophy of China's consistent foreign policy---Five Principles of Peaceful Co-existence.

If we go back to the Beijing Declaration of the Forum on China-Africa Cooperation announced vocally on the very first conference of 2000, this ultimate goal was also visible in the statement declared, though not as feasible guideline to promote bilateral cultural closeness, at least as a political ideal of long term destination for the relation:

We will deepen dialogue, broaden consensus, continue to harmonise our positions on international affairs and enhance mutual support so as to uphold the legitimate rights and interests of China and African countries and to expand and deepen this new-type partnership between China and African countries.²

In sum, for the sake of cultural exchange itself or in order to draw experience from each other, the aims of bilateral cultural relation since 2000 the year FOCAC started have been in a rather low-profile. It does not necessarily mean the initiatives have been always underpowered or very inactive; quite oppositely, both governmental and non-governmental initiatives of cultural exchanges are getting a strong momentum currently. The only reason for its being low-profile is, there is no ambition to impose cultural influence to others in China's external cultural policy.

3. MAIN FEATURES OF CULTURAL INITIATIVES

As a result of the immediate aim and the ultimate goal of China's cultural policy towards African countries analyzed above, in the mid-term summary of the Implementation of Follow-up Actions of the Beijing Summit of the Forum on China-Africa Cooperation, published in May 2008, realizing richness of the two cultures and the positive influence potentially brought by the strengthening the dialogue and exchanges of the two,

"Both China and Africa have a splendid history and culture. To strengthen exchanges between the Chinese and African civilizations and enhance bilateral cultural interactions will enrich the new type of China-Africa strategic partnership and will also set an example for dialogue and exchanges among different civilizations and thus advance the building of a harmonious world."³

Both sides "resolved to actively implement" the cultural initiatives that ranges over

1 Ibid.

2 "Beijing Declaration of the Forum on China-Africa Cooperation", available at: <http://www.focac.org/eng/wjjh/hywj/t15783.htm> (accessed March 1st, 2009).

3 "Implementation of Follow-up Actions of the Beijing Summit of the Forum on China-Africa Cooperation", available at: <http://www.focac.org/eng/wjjh/hywj/t459449.htm> (accessed March 1st, 2009) .

"cultural exchanges as well as art exhibitions and performances at the local level and between the peoples. The African side expressed appreciation of China's decision to set up the African Cultural Visitors Program to enhance cultural exchanges between the two sides."¹

In details, some traditional forms of people-to-people exchanges occurred by mutual visits of high-rank cultural officials, artists, performance troupes and exhibitions have been increasing since 2000. Since 2004, for example, the frequency of Chinese performing arts groups visiting Africa has increased dramatically, with 22 African countries receiving such visiting groups. At the same time, all kinds of symposiums, Chinese cultural festivals in Africa or African Year in China, large scale cultural activities both the Chinese to Africa and Africans to China as well, such as during the summit of 2006 and the Olympic game, etc., have become important new avenues for promoting bilateral cooperation (Liu 2008). The most famous avenue is no doubt the African Confucius Institute that by the end of 2008 has reached a figure of 24 in 17 countries since the first unveiled in Nairobi University in January 2006.² As a national strategy for spreading cultural influence, the Confucius Institute has been constantly idealised in official discourse as symbolising the start of China's peaceful ascent (Hunter 2006). The main task of Confucius Institute is 'to promote the teaching of Chinese as a foreign language and cultural exchanges and cooperation in education, culture and economics'.³ It is not surprising that the government is devoting lots of resources in this area in view of the strategic position of Africa within China's overall foreign affairs.

Specifically, for example in 2007,

"China has renewed annual plans for implementing inter-governmental bilateral cultural agreements with five African countries. Nine Chinese art troupes toured 17 African countries and one African art troupe visited China in 2007. China has launched the African Cultural Visitors Program, and has invited cultural officials of 11 African countries to visit China."⁴

Clearly, besides traditional mutual visits as the mainstream of cultural programs, more new channels, cultural visitors Program, for example, has been acknowledged by both sides as the special feature of the cultural relation in this mid-term sum-up statement of 2007-2009's FOCAC programs announced during the summit meeting in Beijing. Cultural visitors program, kick-starting in 2006, is a type of activity of "inviting in" while focusing on cultural visitors (especially officials in charge of cultural affairs from African governments) to explore and promote the potential cultural cooperation with China (Liu 2008). Representatives from 15 African countries, for example, were invited to participate in this event in 2008 with "Domestic Cultural Development & External Cultural Exchange" as the theme. Candidates applying for China's cultural program must submit a conference paper and make a presentation on their own country's cultural management system, cultural policies, cases illustrating the results of implementing the cultural policies and the relation between domestic cultural

1 Ibid.

2 Website of the Office of Chinese Language Council International (Hanban for short), http://www.hanban.edu.cn/kzxy_list2.php?country=ZA&table1=africa (accessed May 1st, 2010) .

3 Website of the Office of Chinese Language Council International (Hanban for short), "Constitution and By-Laws of the Confucius Institutes", available at: http://english.hanban.org/kzxy_list.php?itid=xyc (accessed March 1st, 2009) .

4 Ibid.

policy and external exchanges, etc, as a prerequisite.¹

In order to increase cultural exchanges and cultivate friendship with African partners, China also aims to strengthen people-to-people relations through tourism. During the third FOCAC, China granted Approved Destination Status (ADS) to 26

African countries. According to the Chinese Exit/Entry Administration Bureau of the Public Security Ministry, indeed Chinese tourists visited Africa have increased dramatically, yet how this increase has been promoting the cultural relations still takes time to manifest. While interviewed on this question, the minister of Ugandan Tourism expressed his eagerness of the positive result, yet regrettably told the truth that there was no concrete number yet of Chinese tourists in their country because of the frequency is still so few.²

Other means to promote greater cultural exchanges include youth programs pledged in 2006---300 youth volunteers –so-called “Chinese Peace Corps” would be sent by the end of 2009, and media cooperation where China Radio International was launched in the Kenyan capital in February 2006 (Liu 2006).

What is clear from the preceding analysis is that, China’s cultural diplomacy towards Africa has been under transformation since the late 1990s, and FOCAC mechanism established in 2000 in particular, both in term of its aims and its main avenues. Yet, as a result of China’s special perceptions for the aims of cultural programs based on special peaceful-coexistence philosophy of international relation, the prominent continuity is the particular “Chinese characteristic”---lack of clear cultural strategy in itself. I.e., cultural cooperation very frequently precedes other forms of cooperation with Africa though, cultural diplomacy has been in a humble profile---no direct cultural ambition but indirectly or directly serving for political interest or economic interest (Liu 2008).

Precisely, while new forms have emerged as new drivers have come to the forefront, the bilateral cultural relation is still summed up as “permanent-running- water, non-broken- line”³ as traditional by Chinese official in charge of foreign affairs to Africa under the Ministry of Culture (Xie 2006). This is almost completely intact if in term of the annual cultural donation to Africa in particular. In stead of selecting some countries as priorities to establish Chinese Cultural Centre (which there are only 3 in the whole African continent) or similar organizations to exert fixed influence as other countries have done, currently, equally among all African countries with formal relations, the Chinese government allots 5 million to 6 million CNY every year as the official budget for cultural initiatives (excluding expenditures for big events like the Beijing Summit of the Forum on China-Africa Cooperation of 2006).⁴ Normally the amount of money is divided into that used for people-to-people exchange (including cultural officials, performing troupes, academic exchanges, artists and performers sent to each other), and regularly annual grant (approximately

1 Website of China Culture, “Guide to apply for the African Culture Visitors Program 2008”, Available at http://www.chinaculture.org/gb/cn_news/2008-05/13/content_108575.htm (accessed March 1st, 2009); “Guide to apply for the African Culture Visitors Program 2007”, available at: http://www.chinaculture.org/gb/cn_news/2007-05/15/content_96307.html (accessed March 1st, 2009); “Program of African with cultural fame in 2006” available at: <http://www.chinaculture.org/cnstatic/doc/photo/sqzny.doc> (accessed March 1st, 2009).

2 Interview on February 4th, 2009, Kampala.

3 The idiom in Chinese originally means to go about something little by little without ever stopping the connection.

4 Interview with Xie Fei, official in charge of the Department of External Cultural Relations, Ministry of Culture, on 8 January 2007.

1-1.5 million CNY) used for cultural facilities or equipments (including books, booklets, DVD players, stage stereo systems, light apparatus, and small grants).

This is understandable in view of China's lack of intention to impose any cultural influence to Africa; while at the same time it might be also an indication that the Chinese government has not been very aware of the importance of cultural facade in the bilateral relationship yet, for example there are only 13 cultural attaches among all the Chinese embassies in Africa.

4. EXPECTED GAINS AND LOSSES FROM FOCAC

4.1 HISTORICAL CONTEXT

Before 1990s, Africa was not as familiar to China as to Europe not only for the geographical distance in between, but also for the history of bilateral relation had been very sparse. Since 1950s when the new Chinese government established formal relationship with African countries that were increasingly gaining independency, the relationship in general had been ideology-oriented before late 1970s. During this period of time, cultural diplomacy was very obviously used to serve for political goals, namely to promote establishing the formal relationship and to solidify the third world countries against the imperialism. It was not a surprise, as a result of this orientation, that the relation just stayed at the level of elites, political and some intellectual as well.

Yet something must be noted that during this period of time, especially in 1950s and the beginning of 1960s, China was still in a situation of international isolation because of the policy of containment of United States in particular. The special way that the Chinese government took to address the problem was "civil or people's diplomacy", with cultural exchanges and economic relations as two wheels as Premier Zhou Enlai advocated Song et al. 1997:255. With this spirit as guideline, mutual visits of singers and dancers were quite frequent and the special state-class Oriental Song & Dance Ensemble was even established in 1962 for dispatching Chinese performers to Africa to learn local songs and dances and spread those of Chinese to Africa as well. Zhu Mingying, a famous Chinese singer ever talked in a conference about the effect of singing an Algerian song was equivalent to donating to this country (Zhu Mingying, 2006). At the same time, equally and mutually, Chinese scholars and students were also sent to Africa quite frequently to study languages and literatures, culture, history and other humanities (in languages of Arabian, Hausa and Swahili), vice versa. Simultaneously, in order to promote official relations via unofficial relations with civil people, the Chinese government not only sent youth, female and labour delegations to visit Africa, but also invited them to have mutual visits in China, on which the materials are now available in the Archive of the Ministry of Foreign Affairs of China following the process of declassification of the original documents in China.

In general, all these cultural efforts that had ever been in prime in 1960s to promote the political relationship (Passin 1963), could easily come to standstill when the underlying political orientation was removed or shifted, and that is why we see at present lots of radio stations China helped to launched in 1960s have been abandoned; while a sustainable cultural relation would only come into being in a spontaneous way and under a not very politicalized atmosphere with too much ideological manipulation, and more crucially, this must be in

a mutual way in stead of only “given” or maybe more precisely “imposed” by any side of the relationship (Dollot 1964). Indeed, since the middle of the 1980s, the real situation was that China seldom sent students and scholars to Africa to either study or do research, and only a few African scholars came to give lectures to the Chinese (Li 2006). That is to say, African countries were rather out of mind of the Chinese in term of the necessary experiences-learning for the aim of modernisation, and only one-way’s intellectual aid from China was going on to. Under the atmosphere wholly to pursue modernization in China since the beginning of 1980s, Europe and America became the more frequent destinations of Chinese people in the name to learn more civilizations and modern technologies (Meissner 2002).

4.2 FOR CHINA

As analyzed above, this situation has changed since late 1990s, and many new forms of cultural exchange are emerging while older kept continuously as aforementioned, even the African Studies in China in a whole started to revive from a cold and lonesome situation, especially since 2000 when FOCAC established. In 2007, more importantly, a special scholarship was launched by the Department of International Cooperation under the Ministry of Education to send Chinese students at the MA and PhD level to Africa again. Apparently, this is just an initiative to strengthen African studies in China, yet in long term, under this kind of efforts to increase people-to-people every-day contact for relatively long period, it is expectable that a mutual and balanced bilateral exchange and cooperation will be established. Hopefully, under current ideology-free air, thses efforts could contribute to a more healthy and sustainable relationship really based on mutual understandings.

To put it in short, to evaluate if and how much effective a cultural exchange initiative is, be it newly-created as the Chinese or Africans realizing the significance for the relationship, or old one as the basic principal spirits kept such as regarding each other as equalitarian partners in particular, the most crutial yardstick is to see if it could promote all ranks’ people-to-people contact, for only human beings are real carriers of any culture and therefore most important medium to improve any cultural relation. In general, therefore, it is no doubt to conclude, all new programs under framework of FOCAC are very effective in promoting mutual understandings between the majority of Chinese and Africans, who had been rather separated remotely by geographic conditions before 1960s, even 1990s since there were not too much common people’s contact between two period of time. In short term, China’s cultural diplomacy efforts reinforce the concept of “peaceful development” and “harmonised world”by setting up non-official or informal networks with various secotors, and holding culture- show events especially during the summit. At the same time, cultural diplomacy is helpful for the rapidly increasing economic relations and some have even become the plateform for Chinese enterprises to “go globle”(Cui Yin, 2009); precisely, such as those symposiums on cultural industry or human right issue or whatever between the Chinese and Africans since 2000, not only have turned out to be dialogue platforms, but also helped to make relations to do cultural business and develope cultural industry together among relevant partners. Specifically, all Chinese organizations involved in implementing various initiatitves will have a close relationship with African counterparts, ministries, officials, representitives, etc. While in long term, as people understand each other deeply

from cultural root layer, to contribute a sustainable and comprehensive bilateral relationship to come into being is foreseeable. And at least, to learn more about African culture enriches the Chinese artists and performers, and broadens the horizons of those Chinese cultural officials as well, and vice versa.

As China's aid to African countries has lasted 50 years and tried many types of practices to make it more sustainable and more efficient, more Chinese officials, those practitioners in particular, realize that whatever and how much fish China gives to Africa is less important than to teach Africans to go to fishing themselves as more diligent Chinese have done. So during the time of President Jiang Zemin, the idea to invite in Africans to influence them indirectly to develop countries by themselves was raised and implemented. This is rather a more important cultural influence in broad meaning.¹ Under direction of this spirit, since 2000 within the framework of FOCAC, ever-increasing number of Africans have been invited into China, be it through "Cultural visitor Program", or any training program, really for China per se, cultural influence is not the direct intention of the Chinese government at all, while the final aim to invite in is rather to let them come and see and get to know China's story of development rather than to impose any cultural influence.

Generally speaking, this aim has been rather realized very well. Through many of the programs, it is very obvious that those African invited in are rather touched by Chinese development and Chinese experiences. This, on the other hand, no doubt will strengthen the trend among Africans to "look east" (MOFCOM,2009), and contribute to China's image building, of course to a certain extent also offsetting the impact of notorious behaviours of some Chinese companies.

To be specific, such as the Youth Programme launched in 2007 after President Hu Jintao gave speech in a South African university and promised within 3 years to provide the initiative for 500 African youths to China to exchange with Chinese youths (Xinhuanet, 2007), over 300 have already come so far and rather than being moved by ancient Chinese splendid civilization, more important impression these youths have got is the modern development of China and the Chinese successful experiences in reforming and developing the country in recent 30 years.² As for the long term positive impact to these African visitors, though apparently they come just for a short period and travel in a busy schedule, after the visit the most lasting influence to them is that China's rapid development is not a remote myth difficult to explain any more, while what they have learnt most are how to make the same miracle happen to their own countries with their own hands as the real subject of African countries (MOFCOM 2009).

Of course, this kind of cultural exchange does not preclude the possible passive impacts on the whole relationship. The relatively backward development of Confucius Institute in African continent is a good case to show the passive impact of China's cultural policy to Africa. The earlier initiative is Chinese Culture Centre that the Chinese government launched to disseminate Chinese culture in 1988, when the very first two were unveiled in Benin and Mauritius respectively. For 20 years thereafter, spreading from big countries, developing countries to its neighbouring countries, 7 have already been established world-wide so far and all are actively operating according to the official website of Ministry of Culture that is running these centres (Chinaculture.org). Both the

1 Interview on April 17th, 2009 to former Chinese official responsible for aid to African countries, Beijing.

2 Interviews to some of the African youth representative, on November 30th, 2008, Beijing.

aim and the operating mode of Chinese Cultural Centre are very similar to those overseas cultural organizations of other countries, such as American Center, Alliance France, British Council, etc, though as the process of reforming cultural institutions is unfolding, to try to run Chinese Cultural Centre in a market system has been under experiment currently (Cui Yin 2009).

Rapidly stepping into the world as Chinese enterprises going global, Confucius Institute, as a completely new avenue to expand Chinese, has been developing very fast since 2004 when the first branch established in Korea. Hanban (simplified form of The Chinese Language Council International), as the specific executive organization established by the Chinese government, is responsible for evaluating and issue the authority to these foreign universities that have submitted applications to open a branch Confucius Institute if there is qualified classroom, staff and necessary other facilities. Since the operating mode is joint venture with host organizations (educational as the basic nature, and universities are most welcomed especially), Confucius Institute is rather different from Chinese Cultural Centre which is completely under control of the Chinese government as similar organizations from other countries. Though according to the constitution of Confucius Institute, each approved branch will get necessary seed money and \$ 100000 as annual budget for three years and thereafter it should be self-supporting running on a market system; logically, because the market demand is not as strong as in other continents, so far only 11 among 21 African branches are operating actively, and the number is rather small compared with the total over 240 by the end of 2008.

Since lack of special intention to single out any country to insert cultural influence, Hanban rather takes a one-size-fits-all approach, and it turns out to be a limit to the development of Confucius Institute in Africa, while in Africa it is more important considering the crucial necessity to have more Africans speaking Chinese to understand and smooth the currently rapidly-developing bilateral economic relation, especially because Africans, compared with Europeans Americans, and other Asians, are rather much lack of basic knowledge of China and the Chinese, let alone the truth that China currently regards Africa as a rather more important strategic partner.

A more constructive way in Africa could be to have some special measures to have more branches set up, such as to inform each African country this special initiative and provide more encouragement for those African organization to host and run Confucius Institute in their campus, because in most cases, people are really uninformed of the Confucius Institute per se and any possible benefit from setting up a branch, not mention being aware of how to apply for a membership from Hanban.¹ In view of the positive impact on China's image building in Africa in long term, it is worthwhile for the Chinese government to take some different policies in Africa to increase some necessary investment to launch more branches, while it might be not so necessary to provide seed money and annual budget in other countries, such as in Europe or U.S.²

1 Interviews in February and March 2009 to Ministry of Education, Universities in Uganda, Mozambique and Angola. All three countries, though are seen closer economic relation increasingly, don't have either Chinese Culture Centre or Confucius Institute.

2 Thanks to visiting Germany scholar Falk Hartig in Beijing for the interesting discussing on April 16th, 2009. According to his interviewing those Germany organizations now applying for the membership of Confucius Institute, many of them don't have any clear long-term strategy on Chinese teaching but to get three years' support of \$ 10000 from the Chinese government. Considering the serious fund-seeking activities of those European and American universities, it is not irrational to deduce many applicants are motivated by the financial reason; while at the same time the large number of applications also create some illusion for the Chinese

In foreseeable future, to improve the current situation really depends on how in general the Chinese government perceives the importance of cultural soft power in Africa. Very often the Chinese scholars talk about the political capital the Chinese government has gained in Africa since 1950s, yet very few both Chinese scholars and officials think there is much cultural capital that the Chinese government has gained even after the FOCAC mechanism established though more voices are being heard about how crucial it is to build China's image and gain more market for cultural products (Cai Shangwei and Wang Li, 2008).

Obviously, because of lack of cultural aim itself from the Chinese side, culture only serves as a decoration, if not serving for any direct political or economic interests. During an interview, being asked why there is even no cultural attaché in the embassy, a Chinese political Consellor responsible for the cultural affairs and based in an African country currently with very important economic relation with China, explained that the reason is the needlessness of cultural and civil exchanges to keep in steps with the economical in the age of globalization.¹ Compared with the traditional theory of trinity among politics, economics and culture, this new idea may be more practical and therefore more useful to explain current priorities of the Chinese government, which with the relative limited resource, has to select the top priorities among all demands. Yet as the time going on, this kind of thinking could easily lead to complete ignorance of the importance of culture and make a temporarily pragmatic relation yet maybe not based on mutual-trust as cornerstone and therefore not a sustainable at the end of the day.

4.3 FOR AFRICA

How to maximize the benefit from the exchange programs with China really depends on how committed those related African governmental officials are and which specific persons are eyeing on those programs both from African side and Chinese side as well.

In term of the Chinese side, there are 13 cultural attachés sent from Ministry of Culture in those Chinese embassies based in Africa are specially looking at cultural affairs, and political counselors in the other embassies normally undertake the responsibility. But since they come from Ministry of Foreign Affairs, and are not responsible for the Ministry of Culture, the evaluation index of their task performance mainly is still politics- related and the result is almost the same no matter how much he has promoted the cultural exchanges. Also how important an ambassador thinks of the cultural relation is also the crucial factor, such as in one African country, some newly-coming Chinese Ambassador found the bilateral cultural agreement has not been implemented for years, so under his efforts, the new implementation protocol immediately was signed and new initiatives were also included.² Another case is, noticing that the media of the host African country broadcasting very negative news on China, the incumbent Chinese ambassador pushed an agreement signed

government to invest more in these countries, which might turn out to be a market bubble not based on the real market demand.

1 Interview on March 4th, 2009.

2 Interview on Feb 4th, 2009.

between the Chinese Information Office of State Council and the hosting country's counterpart. Thereafter all information needed by this African country are provided directly by the Chinese side.¹

From African side, several factors become barriers. First of all, like the rather common barrier from several African countries to set up Confucius Institute, both executive officials from ministry of culture or education and administrating staff of universities are ill-informed about all Chinese initiatives. Being asked if they have some Chinese partners then they could easily get to know the necessary procedures, those administrative staff normally replied with a pride that they do and then they show some old agreements signed in 1990s or earlier.

Secondly, some popular conceptions among people are preventing the country from maximizing the benefit. Such as in Uganda, since students with Chinese degree are easily looked down compared with those with diplomas from Europe or America, normally they stay in China and most of those coming back to Uganda even with Chinese wives are not happy with their status quo and even the mixed marriage ended up with divorce. Comparatively, those Mozambicans back from China after education generally are very happy with the treatment from their own countries, also those Chinese wives coming to Mozambique are also very merrily living among locals because locals don't have the similar contempt to Chinese degrees and more tolerant to any cultures including the Chinese.

Thirdly, likewise, committed African officials and diplomats based in China normally push forward the relation a lot, also they have a much better understanding to Chinese initiatives. Realizing his country fellows have been greatly benefited from the Chinese scholarship, also knowing it would be a trend to send more youths to learn Chinese experiences, the Rwandan Ambassador actually helped over 20 students to get governmental support to join other Rwandan students with Chinese scholarships. Interviewed how they looked at the difference between going to Western world and coming to China to study, many these young students thought the latter is more affordable and practical.²

Another good case could be Beninians during Beijing Olympic Games in 2008. A Benian student that has been in China for movie studies for years was appointed as the special representative form the country. This student's Chinese language and cultural skills was fully used, also the cost of the government to send others to do the same thing was saved.³

Meanwhile, how a government is transparent with all relevant information is also an indication how official could make these initiatives benefiting its country and its people. In some country, the information on how to allocate Chinese scholarships among local people turns out to be hardly found from anywhere, and at the end of the day it is also difficult to find any clue that some students of this country came back from China and have contributed to the bilateral relations.

So far, how African countries have benefited from those cultural initiatives really differentiates one from another. The situation is very different case by case because all those relevant factors are varying so much. Benin and Mauritius were two first countries requesting to establish Chinese Cultural centres early

1 Interview on Feb 20th, 2009.

2 Interview on April 7th, 2009, Rwandan Embassy in Beijing.

3 Thanks to Dorothee DOGNON came to share his story with me on May 27th 2008.

in 1980s, and it is not a surprise to see how influential Chinese culture now in these two countries, especially in Benin traditionally without some Chinese diasporas like in Mauritius to press the government to do so. But among the whole country, under the great efforts of the Chinese Culture centre, currently there are more than 20000 people practising martial arts. On the other hand, both Ethiopia and Sudan have now established their own acrobatic troupes with those trained in China as core members. All these countries have benefited from China's cultural initiatives long before the FOCAC launched in 2000. In another word, to have a government perceiving culture importantly and a group of committed people implementing those plans are even much more important than to have more initiatives announced through FOCAC mechanism, especially because of the slowness nature of cultural influence.

Of course, particularly through those visiting China programs, increasingly more Africans are putting into a much stronger atmosphere of Chinese culture. After touching China in an intensive yet briefly way, how lasting they are influenced still takes time to display.

5. INTERNATIONAL POLITICAL CRITIQUE

The first western scholar paid special attention to China's cultural initiative was

Herbert Passin, who published his unprecedented book China's Cultural Diplomacy as early as in 1963. Tracing China's cultural diplomacy with very detailed statistics, Passin really highlighted the prominence and the importance of cultural diplomacy at the moment of China's international isolation (Passin 1963). Particularly he mentioned, one important practice of the Chinese government was to have visitors come and "see with his eyes", thus gaining sympathy, support and acceptance especially among those key intellectuals abroad.

Rather few international observers published anything about China's cultural influence ever since, while China was regarded a veritable hermit state until in the early 21st century, when the remarkable rise of China as a cultural lodestone attracted so much close scrutiny at a sudden. Under these eager eyes, Confucius Institute seemingly is expanding in a dramatic speed and logically has arrested most sights, be it critical or positive. Hence, the exploration to the country's growing cultural power and the implications has become an increasingly hot topic, particularly because the rapidly expanding Confucius Institute, which is seen as an initiative through which the Chinese government is exporting its language and culture in order to be seen as a global civilization (Erard 2006).

So far, some foreign scholars have argued, mandarin's increasing utility as a lingua franca for trade have significantly increased the resonance of Chinese culture abroad, and with the increase of cultural influence beyond its borders, China's "soft power" is in ascendancy (Ding and Saunders 2006). Also, as the ideology used to overwhelmingly rule the society doesn't exist anymore, nationalism and economic prosperity have become the two bases of legitimacy, to spread the Chinese language really strikes nationalist pride. At the same time, the promotion of Mandarin helps to build ties with the overseas Chinese diaspora, which contributes an estimated 40 percent or more of investment capital on the mainland (Erard 2006). Interestingly, someone also argued, the Confucian Institutes tend to distribute in those nations that embrace liberal-democratic norms of government or, at minimum, have managed democracies

with fairly dependable levels of personal freedom and respect for human rights (Ding and Saunders 2006).

Another focus is the splendid Beijing Olympic Games, the opening and closing ceremonies that included more cultural elements in particular. Comparing with other two Asian hosts of the Olympics, Tokyo (1964) and Seoul (1988), some scholar found China has a more ambitious cultural agenda, because it proclaimed "to promote the harmonization of world civilizations" (Girginov 2008).

In sum, mainly these voices are about "agenda" and "implications" of China's culture to other countries and the whole world. Though China's significant internal and external barriers to fully achieving its potential as a global cultural power have been analyzed in a relatively long length, still, as in the rising process of any power, China's cultural initiatives have been greatly warned as potential cultural imperialism. Also, though China and Hanban, now, have usurped Taiwan's role as the primary source for Chinese-language education (Erard 2006), yet despite the soft influence of China to other countries, it will remain an authoritarian country (Kurlantzick 2006).

On the contrary to the hot trend of criticizing China's engagement in Africa as a neo-colonialist, China's cultural influence in Africa is not a focus in international observation. This might be because China does not have the historical burden as it has in some of its Asian neighbours where the Chinese initiatives have easily caused lots of suspicions of cultural imperialism. On the other hand, as many Chinese scholars agreed, those initiatives were just lightly touched upon as soft power that the Chinese government is exerting in a rather strange area on China's traditional map of foreign Affairs, dovetailing the economic stepping up in the whole continent (Hunter 2006, Liu 2008, Yu 2007).

6. SUMMARY AND CONCLUSIONS

According to Tony Andrew, the head of British Council in Berlin, the traditional occupation of cultural agencies has been to foster dialogue between nations' political, economic and cultural elites. Now with the help of public and cultural diplomacies, they have assumed a new role. That is to say, a "great conversation of mankind" is now to be encouraged where wider groups of ordinary people have to be engaged in the process of the freer flow of ideas and knowledge throughout the world. Cultural agencies need not only to promote the language and cultural heritage of the country they represent, but should seek greater levels of cooperation between them. The aim is for them to become a kind of dialogue-facilitator, a vehicle of communication of values and traditions between public audiences, which in turn will stimulate true social development (Diplofoundation 2003).

As what we have seen, the experience of China-African relation might tell another story of cultural diplomacy. China never wants to impose its cultural influence to Africa, so its formal cultural agencies in Africa are still so few. Instead, cultural diplomacy is just for contributing to a benign and smooth relationship. Be it governmental initiative or corporation's, the crucial element is to have a Two-Way cultural relation established in order to nurture a favourable perception of one country's national ideals and policies with foreign audiences, so to recognise the cultural identity of the target nation, including psychology, mentality, way of life, customs, traditions and history, makes up the key point to the success of cultural diplomacy, so does to promote intercultural dialogue and mutual respect. As Chinese economic engagement in Africa is getting deeper,

both the Chinese government and those Chinese companies or other relating organizations are putting more efforts into cultural initiatives as we have seen above from the government. Such as the Chinese government is dispatching more cultural representatives, be they scholars, performers, NGOs, technicians, athletes, journalists, TV programs-makers, etc to learn more about Africa.

Most new forms of cultural initiatives under the framework of FOCAC are invite-in activities, which actually could date back to 1950s time. At that time, as Premier Zhou said to an American,

"The Western visitors will carry back with them an unshakable impression of friendship by all people they encountered in China. This friendship contrasts strangely with the many reports over the years which declared that young Chinese people had been brought up to hate the U.S. and its people." (Yu 1971)

At that period of time, China, as a new established republic yet with a threatening opponent waiting for any opportunity to attack from Taiwan, needed more understandings and acceptance politically. Comparatively, contemporarily, China is not faced to isolation any more, yet, as a rising power but still having a great portion of its population under poverty line to be relieved and developed, its increasing engagement in the world has been observed rather closely by westerners in particular because its dynamism has somehow triggered the process of reconfiguration of the whole world, quietly but apparently. Both its economic power and responsibilities are being expected to have more influence to the world suffered from the crisis at the moment. If in 1950s visitors brought back their impression of Chinese friendship, currently the African guests mostly would go back with their understanding of how China's self-reliant development has brought its economic miracle. In this sense, cultural exchanges between two sides are not only for the cultural per se, but to learn from each other, to share experiences and all valuable lessons during the process of development both starting from the developing countries. This of course, is right the essence and fundamental goal of all forms of cultural relationships based on equal relations between each others.

At the same time, another factor as new spreader of China's culture in Africa, possibly more important in long term, is stepping up the stage. As a company operating in a foreign country is often resented by the countries in which it does business, regardless of its economic contributions, the company is affected not only by the image of its home country, but by the specific impression the company itself creates, since multinational corporation faces the two-way problem of communication between different cultures just as any tourist does (Dillons 1971). So do Chinese companies in Africa. A considerable number of Chinese international businesses have recognized that the arts are perhaps the most basic means of communication known to mankind and have found them to be an extremely rewarding form of commercial diplomacy. Recently, not only these companies are been seeing setting up Corporate Social Responsibilities programs (such as training schools, returning local society with educational scholarships, schools, etc), but also through these avenues, strengthening the cultural understanding and shortening the cultural distance by increasing the language teaching programs to both Chinese and Africans involved in the companies' activities and holding more gatherings of both sides, etc. These Chinese international business companies are able to convey a distinct personality as a whole to hosting African countries, which is vital to their commercial success. As the good models among all Chinese companies involved in Africa, in long term, they might become the most import pushing force for

the cultural relations between two countries and two peoples and they also tend to provide the most natural channel to understand each other.

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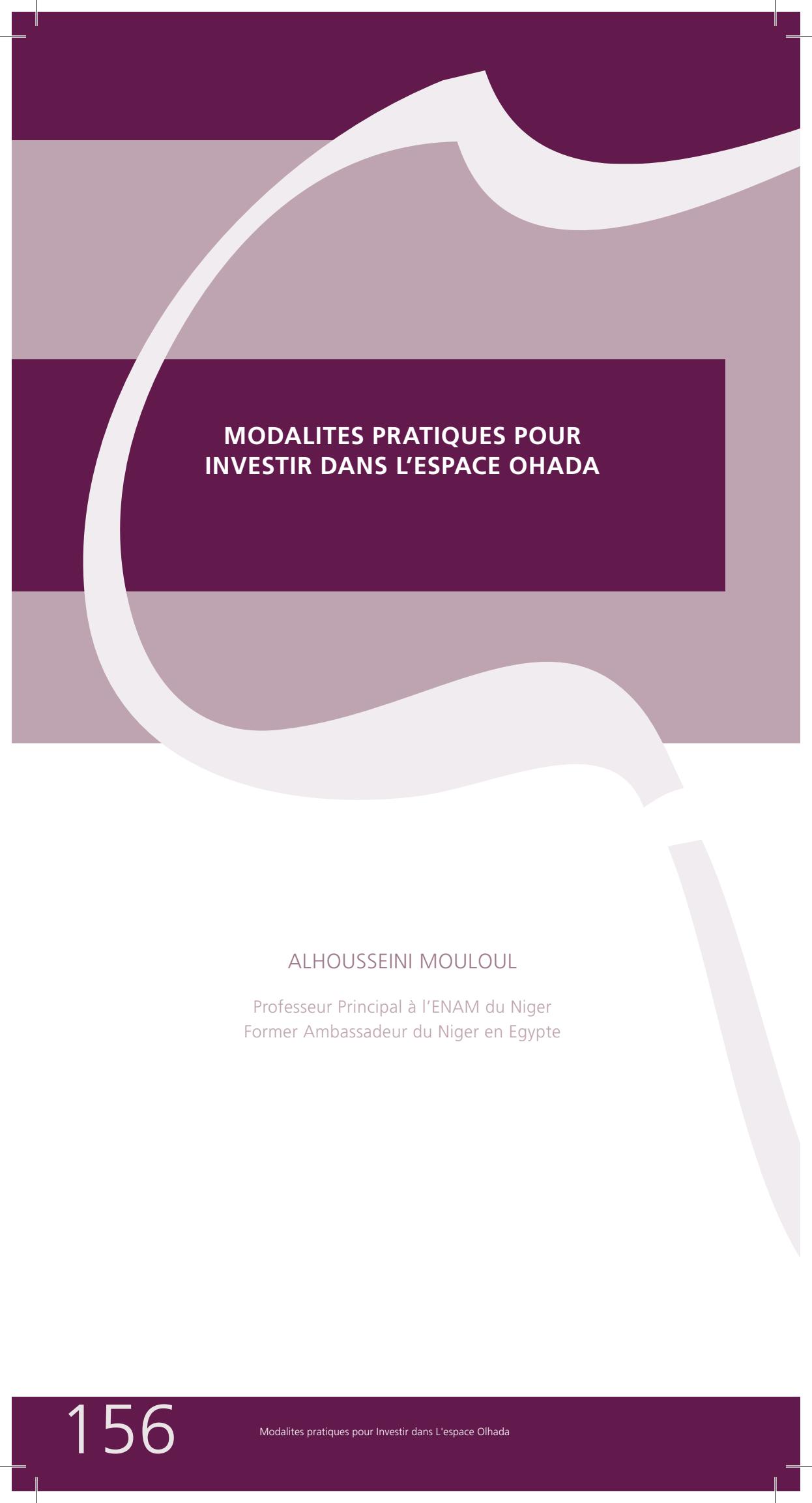
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MODALITES PRATIQUES POUR INVESTIR DANS L'ESPACE OHADA

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INTRODUCTION

Le développement des échanges commerciaux entre les pays africains et la République Populaire de Chine impose la connaissance des différents mécanismes qui permettent aux opérateurs économiques chinois de s'établir et de mener des activités commerciales dans lesdits pays. A cet effet, deux types de législations doivent être pris en compte : les législations nationales qui régissent les activités commerciales en général ou certains secteurs spécifiques, d'une part, et, d'autre part, la législation communautaire adoptée dans le cadre de l'OHADA.

En outre, il faudra distinguer selon qu'il s'agit de commerçants personnes physiques ou de sociétés commerciales qui désirent s'établir dans le pays.

Rappelons que l'Organisation pour l'Harmonisation en Afrique du Droit des Affaires (OHADA), est une organisation continentale africaine d'harmonisation juridique créée à Port Louis (Île Maurice) le 17 octobre 1993. Elle regroupe aujourd'hui 17 Etats membres, en incluant la République Démocratique du Congo (RDC) (Bénin, Burkina Faso, Cameroun, République Centrafricaine, Comores, Congo, Côte d'Ivoire, Gabon, Guinée, Guinée Bissau, Guinée Equatoriale, Mali, Niger, RDC, Sénégal, Tchad, Togo) qui vient d'adhérer à l'Organisation. Plusieurs autres Etats membres ont manifesté leur intérêt pour l'OHADA et escomptent, à terme, y adhérer.

Il s'agit donc du plus grand regroupement d'Etats africains qui vise spécifique l'intégration juridique continentale.

Dans le cadre de la présente rencontre, notre exposé portera exclusivement sur le régime juridique applicable aux mécanismes qui permettent l'établissement

de commerçants personnes physiques ou morales dans un Etat membre de l'OHADA. A cet égard, deux textes fondamentaux nous serviront de base : l'Acte Uniforme sur le Droit Commercial Général (AU/DCG) et l'Acte Uniforme sur le Droit des Sociétés Commerciales et du Groupement d'Intérêt Economique (AU/DSC/GIE). Cependant, les dispositions de ces Actes Uniformes (AU) doivent être complétées par les règles édictées par les législations nationales non contraires.

C'est en considération de ces éléments que nous examinerons d'abord les conditions requises pour l'exercice d'une activité commerciale par les personnes physiques, avant de présenter les différentes possibilités pour la création de sociétés commerciales dans les pays Africains membres de l'OHADA.

L'EXERCICE D'UNE ACTIVITÉ COMMERCIALE PAR LES PERSONNES PHYSIQUES

Plusieurs conditions sont fixées par les législations nationales ; elles concernent les conditions de capacité, les différentes inscriptions à requérir auprès des services nationaux et les conditions qu'imposent les réglementations spécifiques à certaines activités commerciales ou industrielles.

1 - Les conditions de capacité :

D'une manière générale, dans la quasi-totalité des pays africains, l'exercice d'une activité commerciale est autorisé à toute personne physique **majeure** jouissant de ses droits civiques. En effet, aux termes de l'Article 6 de l'AU/DCG : « *Nul ne peut accomplir des actes de commerce à titre de profession habituelle, s'il n'est pas juridiquement capable d'exercer le commerce* ».

2 - Les restrictions à la liberté d'entreprendre (commerces réglementés et les commerces interdits) :

Il existe plusieurs limitations à la liberté d'entreprendre ou à la liberté d'exercer le commerce en général. Ces limitations concernent : les commerces réglementés, les commerces interdits aux particuliers (nationaux ou étrangers) et les autorisations requises des ressortissants de pays tiers.

a - Les commerces réglementés :

Il s'agit de commerces dont l'exercice est soumis au respect de conditions fixées par des textes spéciaux (nationaux) et pour lesquels les principales formalités sont accomplies auprès du Ministère ou de l'Administration nationale qui assure la tutelle du secteur concerné :

Exemples :

- Les activités minières régies par les lois minières (**le code minier**) du pays concerné ;

- De même en ce qui concerne l'exploitation pétrolière qui est régie par le **code pétrolier** de chaque pays ;

- Le transport public, etc.

Les réglementations spécifiques s'appliquent aussi bien aux nationaux qu'aux étrangers.

Le non respect de ces réglementations spécifiques est passible de sanctions

dont la gravité varie selon les Etats.

b - Les commerces interdits :

Pour des motifs d'ordre public, de défense nationale ou dans le souci de protection de l'économie nationale, certains commerces peuvent être interdits aux particuliers aussi bien nationaux qu'étrangers sous réserve, pour ces derniers, des conventions internationales.

Exemples : agent d'immigration ou d'émigration, tenancier de bureau de placement, agents d'affaires, exploitant de voiture de place, etc.

Le non respect de l'interdiction est généralement sanctionné par la fermeture du commerce et par le paiement d'une amende.

c - L'autorisation d'exercice :

L'exercice d'une activité professionnelle non salariée, notamment le commerce, par les étrangers est souvent soumis à l'obtention d'une autorisation d'exercice délivrée selon le cas, soit par le Ministère chargé du commerce soit par l'autorité régionale compétente (Gouverneur ou Préfet, selon les Etats).

Lorsqu'il s'agit d'une activité qui couvre l'ensemble du territoire national, l'autorisation est délivrée par le Ministère du Commerce ; dans le cas contraire, elle est délivrée par l'autorité régionale.

L'autorisation est délivrée, selon les Etats, après une enquête de moralité, pour une période généralement variable :

- Pour une durée de **cinq années** fiscales renouvelables, lorsqu'il s'agit d'une activité commerciale ;

- Ou pour une durée de **dix années** fiscales renouvelables lorsqu'il s'agit d'une activité industrielle.

Avant l'obtention de l'autorisation définitive, il est délivré une autorisation provisoire au requérant dès qu'il dépose la demande d'autorisation.

Le défaut d'autorisation d'exercice ou le défaut de renouvellement est sanctionné par la fermeture du fonds de commerce et par le paiement d'une amende.

Sur l'ensemble de ces restrictions à la liberté d'entreprendre, il est préférable, pour chaque opérateur économique, de se référer à la législation nationale du pays dans lequel il souhaite s'établir. En effet, cette législation varie d'un Etat à l'autre et apparaît comme étant dérogatoire aux Actes Uniformes (AU) de l'OHADA.

3 - L'immatriculation au Registre du Commerce :

Pour exercer une activité commerciale, les personnes physiques ou morales doivent requérir plusieurs inscriptions auprès des services du pays

d'accueil. Ces inscriptions, souvent nombreuses et onéreuses découragent parfois les investisseurs ; aussi, pour faciliter leur réalisation et encourager les opérateurs économiques les autorités nationales créent dans la plupart des pays, des « **Guichets Uniques des formalités des Entreprises** » qui sont généralement rattachés aux Chambres de commerce. Ces Guichets Uniques permettent de centraliser les principales inscriptions en un seul lieu et de réduire considérablement les délais et les coûts. Il est donc recommandé de vérifier l'existence de ces Guichets dans le pays hôte.

Dans le cas contraire, l'investisseur devra lui-même requérir les inscriptions auprès des services compétents. A cet effet, nous examinerons l'inscription qui est, sans doute, la plus importante, « **l'immatriculation au Registre du Commerce et du Crédit Mobilier** » (**RCCM**).

En effet, il est tenu auprès de chaque tribunal un registre destiné à recevoir l'inscription des commerçants personnes physiques ou morales opérant dans le ressort de la dite juridiction ; dans les Etats membres de l'OHADA, il s'agit du **Registre du Commerce et du Crédit Mobilier** (**RCCM**).

Selon le cas, les commerçants doivent requérir soit une **inscription principale**, soit une **inscription secondaire**, ou encore, en cas de besoin, des **inscriptions modificatives ou rectificatives**.

L'immatriculation au RCCM a pour effet de présumer la qualité de commerçant lorsqu'il s'agit des personnes physiques.

a - L'inscription principale :

Pour obtenir son immatriculation au RCCM, le requérant doit remplir *un formulaire spécial* qui lui sera remis par le greffier du tribunal dans le ressort duquel il souhaite s'établir (Art. 22 al 1 AU/DCG).

Il existe deux types de formulaires : un pour les commerçants personnes physiques et un pour les sociétés commerciales.

Le formulaire est signé par le déclarant ou par son mandataire qui doit justifier d'une procuration délivrée par le déclarant, sauf lorsqu'il s'agit d'un Avocat agréé, d'un Huissier, d'un Notaire ou d'un Syndic.

La demande d'immatriculation doit être faite **dans le mois** du début de l'exploitation.

Le requérant doit joindre à sa demande toutes les **pièces** prévues par l'Article 26 AU/DCG à savoir :

- Un extrait d'acte de naissance ou tout document administratif justifiant de son identité ;
- En cas de besoin, un extrait de son acte de mariage ;
- Un extrait de son casier judiciaire ou tout document en tenant lieu ; si le requérant n'est pas ressortissant de l'Etat membre de l'OHADA dans lequel il demande son immatriculation, il devra fournir un extrait de son casier judiciaire émanant des autorités de son pays de naissance, ou tout document en tenant lieu ;
- Un certificat de résidence ;
- Une copie du titre de propriété ou du bail du principal établissement, et le cas échéant, de celui des autres établissements ;
- En cas d'acquisition d'un fonds, ou de location-gérance, une copie de l'acte d'acquisition, ou de l'acte de location-gérance ;
- Le cas échéant (pour les étrangers), une autorisation préalable d'exercer le commerce.

L'immatriculation principale est UNIQUE et le requérant obtient un NUMERO d'identification, « Numéro de RCCM ».

En cas de **transfert** du lieu d'exploitation du commerce dans le ressort d'une autre juridiction, l'assujetti doit demander sa radiation du RCCM dans le ressort de la juridiction auprès de laquelle il a été initialement immatriculé, cela dans le mois du transfert ; il lui sera délivré par le greffier de cette juridiction un « **certificat de radiation** ». L'assujetti doit requérir une nouvelle inscription auprès du tribunal du lieu de transfert de l'exploitation.

L'immatriculation au RCCM donne lieu au paiement d'un droit fixe (à titre indicatif environ 49 500 FCFA) et de frais de greffe (à titre indicatif, environ 2500 FCFA).

b- L'inscription secondaire :

Lorsque l'assujetti exploite un établissement secondaire dans le ressort d'une autre juridiction, il doit requérir une immatriculation secondaire dans le **délai d'un mois** à dater du début de l'exploitation.

La demande d'immatriculation secondaire est introduite au greffe de la juridiction du lieu de situation du nouvel établissement et doit mentionner la référence à l'immatriculation principale ainsi que tous les renseignements requis pour celle-ci, à savoir (Cf art 25 AU/DCG) :

- Les noms, prénoms et domicile personnel de l'assujetti ;
- Ses dates et lieu de naissance ;
- Sa nationalité ;
- Le cas échéant, le nom sous lequel il exerce le commerce, ainsi que l'enseigne utilisée ;
- La ou les activités exercées, et la forme de l'exploitation ;
- La date et le lieu de mariage, le régime matrimonial adopté, les clauses opposables aux tiers restrictives de la libre disposition des biens des époux ou l'absence de telles clauses, les demandes en séparation des biens ;
- Les noms, prénoms, date et lieu de naissance, domicile et nationalité des personnes ayant le pouvoir d'engager par leur signature la responsabilité de l'assujetti ;
- L'adresse du principal établissement, et, le cas échéant, celle de chacun des autres établissements ou succursales exploités sur le territoire de l'Etat membre de l'OHADA ;
- Le cas échéant, la nature et le lieu d'exercice de l'activité des derniers établissements qu'il a exploités précédemment avec indication du ou des numéros d'immatriculation au RCCM de ces établissements ;
- La date du commencement, par l'assujetti, de l'exploitation du principal établissement et, le cas échéant, des autres établissements.

Un numéro d'immatriculation secondaire est attribué au requérant. Cette immatriculation doit faire l'objet d'une insertion dans un journal d'annonces légales, dans le mois de sa réalisation.

c- Les inscriptions modificatives ou rectificatives :

Les modifications intervenues depuis l'immatriculation principale doivent faire l'objet de mentions au RCCM et d'un avis inséré dans un journal d'annonces légales, dans le mois de la modification intervenue.

d- La radiation du RCCM :

Tout commerçant personne physique qui cesse ses activités, doit demander sa radiation du RCCM dans le mois de cette cessation. En cas de décès du commerçant, cette radiation, ou l'inscription modificative, doit être demandée par son conjoint ou ses héritiers dans un délai de trois mois à dater du décès.

Lorsque le conjoint ou les héritiers ne demandent pas la radiation ou l'inscription modificative, il peut y être procédé par le greffier compétent sur décision du juge saisi sur requête de tout intéressé.

La radiation fait l'objet de publicité par insertion dans un journal d'annonces légales.

e- Sanction du défaut d'immatriculation au RCCM :

D'une manière générale, les actes et faits soumis à mention au RCCM ne sont

opposables aux tiers qu'à dater de leur inscription ; à défaut d'inscription, ils sont inopposables aux tiers.

CONCLUSION :

Telles sont exposées les différentes conditions et formalités à accomplir par les personnes physiques qui désirent exercer une activité professionnelle non salariée dans un Etat membre de l'OHADA. Ainsi, outre la connaissance de la législation communautaire, nous recommanderons à ces personnes de prendre connaissance de la législation nationale du pays hôte.

Enfin, outre ces conditions et formalités, les commerçants sont assujettis à plusieurs obligations professionnelles, notamment la tenue des livres comptables et, généralement, d'une comptabilité conforme à l'Acte Uniforme sur le Droit Comptable instaurant le Système comptable de l'OHADA (le SYSCOHADA).

II- LA CRÉATION D'UNE SOCIÉTÉ COMMERCIALE DANS UN ETAT MEMBRE DE L'OHADA :

Les opérateurs économiques qui désirent investir dans un Etat membre de l'OHADA, peuvent le faire soit en tant que personnes physiques, comme on vient de le voir ci-dessus, soit en créant des sociétés commerciales. En cas d'option pour cette deuxième possibilité, ils auront à accomplir une série de formalités pour la constitution de leur société. A cet effet, nous présenterons ci-après les formalités et les conditions communes à toutes les formes de sociétés commerciales, ensuite nous présenterons les formalités et conditions spécifiques à chaque forme de société.

1 - Les formalités communes aux sociétés commerciales :

La société étant un contrat, il faudra rappeler que sa validité obéit aux conditions communes à tous les contrats : la capacité de contracter pour les associés, leur consentement, la cause et l'objet licites ; auxquelles il faut ajouter une condition propre au contrat de société : la réalisation d'un apport par chaque associé, soit sous forme de **numéraire**, soit sous la forme d'un **apport en nature** ou encore un **apport en industrie**. La valeur des deux premiers apports constituera le capital social de la société car **toute société doit avoir un capital social**.

Outre ces conditions classiques, plusieurs conditions de forme et de publicité doivent être réunies pour qu'une société commerciale soit valablement constituée dans l'espace OHADA. Il s'agit de la rédaction des statuts, de la réalisation des différentes immatriculations et déclarations et des formalités de publicité.

a - La rédaction des statuts :

Les statuts peuvent être rédigés **par acte notarié** (obligatoire lorsque la société reçoit un apport en nature) ou **par acte sous seing privé** déposé au rang des minutes de l'Etude d'un Notaire.

Les statuts sont **signés** par chaque associé soit personnellement soit par mandataire muni d'un mandat spécial ; ils sont, ensuite cotés, paraphés et

enregistrés à la Direction nationale de l'Enregistrement, du Timbre et de la Conservation Foncière, ou toute administration en tenant lieu, moyennant le paiement d'un droit d'enregistrement et d'un droit de timbre, tous deux, généralement de faibles montants.

Les statuts contiennent les règles relatives à l'organisation et au fonctionnement de la société ainsi que les mentions prévues par l'article 13 AU/DSC/GIE.

- La forme de la société ;
- Sa raison sociale ou sa dénomination sociale ;
- L'objet de la société ;
- La localisation du siège social ;
- La durée de la société ;
- Le montant du capital social.

b - Le dépôt des fonds :

Les fonds provenant des souscriptions en numéraire sont déposés, **sous huitaine**, avec la liste des souscripteurs et le montant versé par chacun, auprès d'un notaire ou dans un compte ouvert auprès d'une banque ou d'un organisme financier pour le compte de la société en formation. Ils ne peuvent être retirés qu'après l'immatriculation de la société au RCCM.

c - L'établissement de la déclaration notariée de souscription et de versement (DNSV) :

Aux termes de l'article 394 AU/DSC/GIE : « *Sur présentation des bulletins de souscription et, le cas échéant, d'un certificat du dépositaire attestant le dépôt des fonds, le notaire affirme (dans un acte) que le montant des souscriptions déclarées est conforme au montant figurant sur les bulletins de souscription et que celui du versement est conforme au montant des sommes déposées en son étude ou, le cas échéant, figurant au certificat précité. Le certificat du dépositaire est annexé à la déclaration notariée... ».*

La DNSV doit être remise à la société par le notaire dans un délai n'excédant pas **deux semaines** à dater du dépôt de la déclaration des fondateurs de la société.

d - L'établissement de la déclaration de régularité et de conformité (DRC) :

Aux termes de l'article 73 AU/DSC/GIE : « *Les fondateurs et les premiers organes de gestion et d'administration doivent déposer au RCCM une déclaration dans laquelle ils relatent les opérations effectuées en vue de constituer régulièrement la société et par laquelle ils affirment que cette constitution a été réalisée en conformité avec la législation en vigueur* ». La DRC est signée par ses auteurs ou par une ou plusieurs personnes expressément mandatées à cet effet.

Toutefois, l'établissement de cette déclaration n'est pas obligatoire lorsqu'une DNSV a été déjà déposée.

e - La réunion de l'Assemblée Générale Constitutive (AGC) :

Après l'établissement de la DNSV, les associés doivent réunir l'AGC dans le **délai d'un mois**. Toutefois, cette réunion n'est obligatoire que lorsque la société réunit plus de 20 associés ou lorsqu'elle fait appel public à l'épargne.

La réunion est convoquée par avis inséré dans un journal habilité à recevoir des annonces légales, ce dans un délai de huit jours avant la date de la réunion.

Lorsqu'elle est réunie, l'AGC délibère sur les points suivants :

- La constatation de la libération du capital social conformément à la législation en vigueur ;
- l'adoption des statuts ;
- le cas échéant, l'examen du rapport du commissaire aux apports ;
- La nomination des premiers organes de la société, lorsque cette nomination n'est pas contenue dans les statuts ;
- La nomination du commissaire aux comptes ;
- Les actes passés au nom de la société en formation ;
- Donner les mandats nécessaires à un ou plusieurs représentants légaux pour agir au nom de la société avant son immatriculation au RCCM.

f - Les immatriculations :

Comme les personnes physiques, les sociétés commerciales et les succursales des sociétés étrangères, doivent requérir plusieurs immatriculations, notamment leur inscription au RCCM.

f1- Les inscriptions diverses :

Avant de demander son immatriculation au RCCM, le commerçant, personne physique ou morale, doit requérir son immatriculation auprès des services fiscaux du pays hôte et auprès des services de l'emploi.

- L'immatriculation auprès des services fiscaux :

La nouvelle société doit requérir son inscription sur le rôle des patentes en adressant une demande à la Direction nationale chargée des Contributions diverses et, dans certains pays, en remplissant un formulaire de « **déclaration d'existence** ». Les services fiscaux procèdent à l'identification fiscale de l'entreprise à laquelle un numéro est attribué, le « **Numéro d'Identification Fiscale** » (le NIF).

- L'immatriculation auprès des services de l'emploi :

En cas de création d'emplois, comme c'est souvent le cas, la société, en tant qu'employeur, doit s'affilier à la Caisse de Sécurité Sociale. A cet effet, un formulaire de demande d'affiliation est rempli et déposé auprès de la Caisse.

f2- L'immatriculation de la société au RCCM :

Comme pour les personnes physiques commerçantes, la société doit requérir son immatriculation principale et, le cas échéant, des immatriculations secondaires, complémentaires et rectificatives.

1- L'immatriculation principale : la société doit requérir son immatriculation principale *dans le mois* de sa constitution. La demande est adressée au Greffier en chef du tribunal dans le ressort duquel se situe le siège social de la société.

L'obligation d'immatriculation au RCCM s'impose aussi bien aux succursales qu'aux établissements des commerçants et des sociétés dont le siège social se situe sur le territoire d'un autre Etat. Dans ce cas, la demande d'immatriculation doit mentionner, entre autres, le nom de la société propriétaire de la succursale ainsi que tous les éléments permettant d'identifier cette société, ses dirigeants sociaux et les associés.

La demande contient les *énonciations* prévues à l'article 27 AU/DCG.

- La dénomination sociale ;
- Le cas échéant, le nom commercial, le sigle, ou l'enseigne ;
- La ou les activités exercées ;
- La forme de la société ou de la personne morale ;
- Le montant du capital social avec l'indication du montant des apports en numéraire et l'évaluation des apports en nature ;
- L'adresse du siège social, et le cas échéant, celle du principal établissement et de chacun des autres établissements ;
- La durée de la société ou de la personne morale, telle que fixée par ses statuts ;
- Les noms, prénoms et domicile personnel des associés tenus indéfiniment et personnellement responsables des dettes sociales, avec mention de leur date et lieu de naissance, de leur nationalité, de la date et du lieu de leur mariage, du régime matrimonial adopté et des clauses opposables aux tiers restrictives de la libre disposition des biens des époux ou de l'absence de telles clauses ainsi que les demandes en séparation des biens ;
- Les noms, prénoms, date et lieu de naissance, et domicile des gérants, administrateurs ou associés ayant le pouvoir général d'engager la société ou la personne morale ;
- Les noms, prénoms, date et lieu de naissance, domiciles des Commissaires aux comptes, lorsque leur désignation est prévue par l'AU/DSC/GIE.

Elle doit être accompagnée des **pièces** prévues par l'article 28 AU/DCG.

- Deux copies certifiées conformes des statuts ;
- Deux exemplaires de la déclaration de régularité et de conformité, ou de la déclaration notariée de souscription et de versement ;
- Deux exemplaires de la liste certifiée conforme des gérants, administrateurs ou associés tenus indéfiniment et personnellement responsables, ou ayant le pouvoir d'engager la société ;
- Deux extraits de casiers judiciaire des personnes visées ci-dessus ; si le requérant n'est pas originaire de l'Etat membre de l'OHADA dans lequel il demande son inscription principale, il devra également fournir un extrait de son casier judiciaire émanant des autorités de son pays de naissance, et à défaut tout autre document en tenant lieu ;
- Le cas échéant, une autorisation préalable d'exercer le commerce.

Comme pour les personnes physiques, l'immatriculation principale de la société est **UNIQUE** et le requérant obtient un **NUMERO** d'identification, « **Numéro de RCCM** ».

L'immatriculation a pour **effet** immédiat de conférer la **personnalité morale** à la société, avec tous les attributs attachés à cette personnalité.

En cas de **transfert du siège social** dans le ressort d'une autre juridiction, l'assujettie doit demander sa **radiation** du RCCM dans le ressort de la juridiction auprès de laquelle elle a été initialement immatriculée, cela dans le mois du transfert du siège social ; il lui sera délivré par le greffier de cette juridiction un « **certificat de radiation** ». L'assujettie doit requérir une **nouvelle inscription** auprès du tribunal du lieu de transfert du siège.

2- L'inscription secondaire : Lorsque la personne morale exploite une **succursale** ou un **établissement secondaire** dans le ressort d'une autre juridiction, il doit requérir une immatriculation secondaire dans le **délai d'un mois** à dater du début de l'exploitation.

La demande d'immatriculation secondaire est introduite au greffe de la juridiction du lieu de situation du nouvel établissement et doit mentionner la référence à l'immatriculation principale ainsi que tous les renseignements requis pour celle-ci (Cf art 27 AU/DCG ci-dessus).

Un **numéro d'immatriculation secondaire** est attribué au requérant. Cette immatriculation doit faire l'objet d'une insertion dans un **journal d'annonces légales**, dans le **mois** de sa réalisation.

3- Les inscriptions modificatives ou rectificatives : Les modifications intervenues depuis l'immatriculation principale doivent faire l'objet de **mentions au RCCM** et d'un **avis** inséré dans un journal d'annonces légales, **dans le mois** de la modification intervenue.

f3- La radiation du RCCM :

Pour la personne morale qui cesse ses activités suite à sa dissolution ou à son annulation, la radiation doit être demandée dans le **délai d'un mois** à compter de la décision qui prononce la dissolution ou la nullité.

La radiation fait l'objet de publicité par insertion dans un **journal d'annonces légales**.

f4- Sanction du défaut d'immatriculation au RCCM :

Les sociétés et autres personnes morales assujetties à l'obligation d'immatriculation au RCCM, qui ne se sont pas acquittées de cette obligation **n'ont pas la personnalité morale** et seront considérées comme des **sociétés de fait**. En outre, les fondateurs et les premiers gérants desdites personnes morales peuvent voir engagée leur **responsabilité civile et pénale**. Enfin, des **sanctions pécuniaires** peuvent être prononcées à leur endroit.

Enfin, d'une manière générale, les **actes et faits** soumis à mention au RCCM **ne sont opposables aux tiers** qu'à dater de leur inscription ; à défaut d'inscription, ils sont inopposables aux tiers.

g- La publication d'un avis :

Dans les quinze jours à dater de l'immatriculation de la société au RCCM, ses représentants légaux doivent faire publier un avis dans un journal d'annonces légales paraissant dans l'Etat du lieu de situation du siège social. Cet avis est signé du Notaire instrumentaire ou des fondateurs et contient les **énonciations** prévues à l'article 262 AU/DSC/GIE :

1. La raison ou la dénomination sociale de la société suivie, le cas échéant, de son sigle ;
2. La forme de la société ;
3. Le montant du capital social ;
4. L'adresse du siège social ;
5. L'objet social indiqué sommairement ;
6. La durée de la société ;
7. Le montant des apports en numéraire ;
8. La description sommaire et l'évaluation des apports en nature ;
9. Les nom, prénoms usuels et domicile des associés tenus solidairement des dettes sociales ;
10. Les nom, prénoms et domicile des premiers dirigeants et des premiers commissaires aux comptes ;
11. Les références du dépôt, au greffe, des pièces de constitution ;
12. Les références de l'immatriculation au RCCM ;
13. Le cas échéant, la date effective ou prévue du commencement d'activité.

Lorsqu'il s'agit d'une société anonyme, l'avis contient également :

1. Le nombre et la valeur nominale des actions souscrites en numéraire ;
2. Le nombre et la valeur nominale des actions attribuées en rémunération de chaque apport en nature ;
3. Le montant de la partie libérée, si le capital n'est pas entièrement libéré ;
4. Les dispositions statutaires relatives à la constitution des réserves et à la répartition des bénéfices et du boni de liquidation ;
5. Les avantages particuliers stipulés ;
6. Les conditions d'admission aux assemblées d'actionnaires et d'exercice du droit de vote, notamment celles relatives à l'attribution d'un droit de vote double ;
7. Le cas échéant, l'existence de clauses relatives à l'agrément des cessionnaires d'actions et la désignation de l'organe habilité à statuer sur les demandes d'agrément.

2 - Les conditions spécifiques à chaque forme de société :

Les personnes désireuses d'investir dans un Etat membre de l'OHADA peuvent le faire soit en s'établissant comme personnes physiques exploitant des fonds de commerce soit en créant des sociétés commerciales. Dans cette deuxième hypothèse, les investisseurs ont la possibilité de créer l'une des **quatre formes de sociétés commerciales** prévues dans l'espace OHADA : les Sociétés Anonymes, les Sociétés à Responsabilité Limitée, les Sociétés en Commandite Simple et les Sociétés en Nom Collectif. Pour créer l'une ou l'autre forme de ces sociétés, les promoteurs doivent accomplir les formalités communes que nous avons vues ci-dessus, auxquelles il faut ajouter les conditions spécifiques à chaque forme de

sociétés que nous exposerons ci-après.

a - Les Sociétés Anonymes (SA) :

1- Définition : « *La société anonyme est une société dans laquelle les actionnaires ne sont responsables des dettes sociales qu'à concurrence de leurs apports et dont les droits des actionnaires sont représentés par des actions* » (Art. 385 AU/DSC/GIE). Elle est désignée par une « dénomination sociale précédée au suivie de la mention « Société Anonyme » ou « SA » et du mode d'administration de la société.

2- Nombre d'associés : Minimum 1.

3- Capital social : Minimum 10 millions de FCFA (environ 15 250 Euros), lorsque la société ne fait pas appel public à l'épargne et lorsque ses titres ne sont pas inscrits à une bourse de valeurs d'un Etat membre de l'OHADA. Dans le cas contraire, le capital social ne peut être le capital social ne peut être inférieur à 100 Millions de FCFA (environ 152 500 Euros).

Libération du capital social : les actions de numéraire doivent être libérées au moins d'1/4 de leur valeur nominale au moment de la constitution de la société, le solde (3/4) doit être libéré **dans un délai maximum de trois ans** à dater de l'immatriculation de la société au RCCM.

4- Titres sociaux : Actions de valeur nominale minimum de 10 000 FCFA (environ 15,24 Euros).

5- Commissariat aux comptes : Le contrôle des SA est assuré par un ou plusieurs Commissaires aux Comptes, personnes physiques ou personnes morales, choisis parmi les Experts Comptables inscrits sur une liste établie par une commission (de quatre membres) composée conformément à l'article 696 AU/DSC/GIE ou par l'Ordre des Experts Comptables s'il en existe un (Cf art. 685 AU/DSC/GIE).

Distinguer deux cas :

- Lorsque la société ne fait pas appel public à l'épargne : elle doit désigner un Commissaire aux Comptes et un suppléants ;

- Lorsqu'elle fait appel public à l'épargne : elle doit désigner deux Commissaires aux Comptes et deux suppléants.

Les premiers Commissaires aux Comptes et leurs suppléants sont désignés soit dans les statuts soit par l'Assemblée Générale Constitutive, pour un **mandat de deux exercices sociaux**. Au cours de la vie sociale les Commissaires aux Comptes sont désignés par l'Assemblée Générale Ordinaire pour un **mandat renouvelable de six exercices sociaux**.

6- Règles spécifiques aux SA faisant appel public à l'épargne ou avec stipulation d'avantages particuliers :

Outre le particularisme lié au montant du capital social (voir supra), dans ces deux cas certaines formalités constitutives doivent être effectuées :

- **Désignation d'un commissaire aux apports** qui procèdera à l'évaluation des apports en nature et des avantages particuliers. Il est désigné à l'unanimité des associés ou, à défaut, par le Président de la juridiction compétente à la demande de un ou plusieurs fondateurs.

- **La publication d'une notice** : Avant le début des opérations de souscription des actions, les fondateurs publient une notice dans un journal d'annonces légales dans l'Etat de situation du siège social et les Etats dont l'épargne est sollicitée. La notice mentionne les indications relatives à la société, aux actions émises (nombre, valeur nominale), aux modalités de souscription, etc.

- **La diffusion de circulaires** : des circulaires reproduisant les énonciations de la notice ci-dessus et contenant « **la mention de l'insertion de la notice dans les journaux d'annonces légales où ladite notice a été publiée** » (art. 827 AU/DSC/GIE) et la référence au numéro de publication dans ces journaux, sont diffusées pour l'information du public.

- **Publication d'affiches et annonces** : cette publication doit être réalisée dans les journaux avec reproduction de tout ou partie des énonciations de la notice, la référence à celle-ci et l'indication des journaux d'annonces légales dans lesquels elle a été publiée.

Ces formalités de publicité sont **obligatoires** ; leur non respect est possible de **sanctions pénales** qui peuvent être prononcées contre les Présidents, administrateurs et Directeurs Généraux des sociétés concernées.

7- Administration de la SA :

Les fondateurs de la SA ont le choix entre **deux modes d'administration** :

- Le mode d'administration avec Conseil d'Administration (CA) ;
- Et le mode d'administration avec Administrateur Général.

- **Le mode d'administration avec CA** : Le CA est composé de **trois membres au moins et de douze membres au plus**. Les membres du CA peuvent être des personnes physiques ou morales (représentées par des personnes physiques), actionnaires ou non. Ils peuvent être désignés dans les statuts ou par l'Assemblée Générale Constitutive (pour un mandat qui ne peut excéder **deux ans**) ou encore au cours de la vie sociale (pour un mandat de **six ans renouvelables**).

Ce mode prévoit **deux systèmes de direction** : avec PDG ou avec PCA.

. **Le système direction avec Président Directeur Général (PDG)** : lorsque les fondateurs optent pour mode de direction, le CA élit un PDG parmi ses membres personnes physiques pour un mandat dont la durée ne peut excéder celle de son mandat d'administrateur. Cependant, un PDG ne peut cumuler trois mandats de PDG de sociétés ayant leur siège dans le même Etat, d'une part, et, d'autre part, le mandat de PDG ne peut être cumulé avec deux mandats d'Administrateur Général de SA ayant leur siège sur le territoire d'un même Etat.

+Le PDG assure les fonctions de Président du CA et de Directeur Général de la société. Dans l'exercice de ses fonctions de direction, il peut être assisté par un Directeur Général Adjoint (DGA) nommé par le CA sur proposition du PDG.

. **Le système de direction avec PCA et Directeur Général (DG)** : ce système est organisé autour de deux organes distincts : **le PCA et le DG**.

+ **Le PCA** est nommé par le CA parmi ses membres personnes physiques pour un mandat renouvelable dont la durée ne peut excéder celle de son mandat d'administrateur. Il ne peut cumuler plus de trois mandats de PCA ou plus de deux mandats de DG de SA ayant leur siège sur le territoire d'un même Etat.

Le PCA a pour fonctions : de présider les réunions du CA ; de veiller à ce que le CA assume le contrôle de la gestion de la société confiée au DG ; d'effectuer toutes vérifications qu'il juge utile à l'accomplissement de sa mission.

+ **Le Directeur Général**, quant à lui, est nommé par le CA parmi ses membres personnes physiques ou en dehors d'eux, pour un mandat renouvelable dont il détermine la durée.

Le DG assure la Direction Générale de la société qu'il représente dans ses rapports avec les tiers. A cet égard, il est investi des pouvoirs les plus étendus pour agir au nom de la société dans la limite de l'objet social et sous réserve des pouvoirs expressément réservés à l'Assemblée Générale et au CA en vertu des dispositions légales ou statutaires.

- **Le mode d'administration avec Administrateur Général** : lorsque la société réunit des associés dont le nombre est inférieur ou égal à trois, elle a la faculté de ne pas constituer un CA. Dans ce cas, l'administration et la direction de la société sont assurées par un Administrateur Général qui peut être assisté d'un **Administrateur Général Adjoint** nommé par l'Assemblée Générale sur proposition de l'Administrateur Général qui détermine la durée de son mandat.

L'Administrateur Général peut être désigné par l'Assemblée Générale Constitutive ou dans les statuts, parmi les actionnaires ou en dehors d'eux, pour un mandat qui ne peut être supérieur à deux ans. Il peut aussi être désigné au cours de la vie sociale pour un mandat renouvelable qui ne peut excéder six ans. Les interdictions de cumuls applicables au PDG lui sont également applicables.

L'Administrateur Général assure l'administration et la direction de la société qu'il représente à l'égard des tiers. A ce titre, il convoque et préside les assemblées générales d'actionnaires et agit en toute circonstance au nom de la société dans le cadre de l'objet social, sous réserve des pouvoirs expressément dévolus aux assemblées d'actionnaires.

b - Les Sociétés à Responsabilité Limitée (SARL) :

1- Définition : « La SARL est une société dans laquelle les associés ne sont responsables des dettes sociales qu'à concurrence de leurs apports et dont les droits sont représentés par des parts sociales » (Art. 309 AU/DSC/GIE). Elle est désignée par une « dénomination sociale » précédée ou suivie de la mention

« SARL ».

2- Nombre d'associés : 1 ou plusieurs personnes physiques ou morales.

3- Capital social : Minimum 1 million de FCFA (environ 1525 Euros) (Art. 311 AU/DSC/GIE).

4- Titres sociaux : Parts sociales non négociables. Valeur nominale : 5 000 FCFA (environ 7,62 Euros).

Les parts sociales peuvent faire l'objet de cession et de nantissement.

5- Gestion : Par un ou plusieurs gérants, associés ou non, désignés dans les statuts ou par acte séparé. **Mandat :** 4 ans renouvelables, sauf dispositions contraires des statuts.

6- Contrôle : Outre le contrôle exercé par les associés, ceux-ci sont tenus de désigner au moins un Commissaire aux Comptes pour un mandat de trois ans :

- Lorsque le capital social de la société est supérieur à **10 millions de FCFA** (environ 15 250 euros) ;
- Ou lorsque l'une des conditions suivantes est réunie :
 - Lorsque la société réalise un chiffre d'affaires annuel supérieur à **250 millions de FCFA** (environ 381 104 Euros) ;
 - Lorsque la société a un effectif permanent supérieur à **50 personnes**.
 -

c - Les Sociétés en Nom Collectif (SNC) :

La SNC est « celle dans laquelle tous les associés sont commerçants et répondent indéfiniment et solidairement des dettes sociales » (Art. 270 AU/DSC/GIE).

Pour créer cette forme de société, l'investisseur doit réunir les conditions requises pour avoir la qualité de commerçant (Cf supra) et accomplir les formalités communes aux sociétés commerciales.

Capital social : aucun montant minimum n'est exigé.

Titres sociaux : parts sociales non négociables.

Gestion : par un Gérant (associé ou non) ayant la capacité requise pour faire le commerce.

d - Les Sociétés en Commandite Simple (SCS) :

La SCS est la société « dans laquelle coexistent un ou plusieurs associés indéfiniment et solidairement responsables des dettes sociales, dénommés « associés commanditaires », avec un ou plusieurs associés responsables des dettes sociales dans la limite de leurs apports, dénommés « associés commanditaires » ou « associés en commandite », et dont le capital social est divisé en parts sociales » (art. 293 AU/DSC/GIE).

- Originalité : coexistence de deux types d'associés :

. Les associés commandités : Ils ont la qualité de commerçant avec les conséquences attachées à cette qualité. Ils sont soumis au même régime juridique que les associés en nom collectif. Ils sont solidairement et indéfiniment responsables des dettes sociales.

. Les associés commanditaires ou en commandite : N'ont pas la qualité de commerçant et ne répondent des dettes sociales qu'à concurrence de leurs apports.

- Statuts: Mêmes conditions de forme et de publicité que toutes les formes de sociétés. Mentions particulières prévues aux articles 294 et 295 AU/DSC/GIE).

- Le montant ou la valeur des apports de tous les associés ;
- La part de chaque associé commandité ou commanditaire dans le capital social ;
- La part globale des associés commandités et la part de chaque associé commanditaire dans la répartition des bénéfices et dans le boni de liquidation ;
- La dénomination sociale composée de un ou plusieurs associés commandités suivi ou précédé de la mention « SCS ».

- Capital social : Pas de minimum exigé.

- Titres sociaux : Parts sociales non négociables et de valeur nominale égale. Cependant, « les statuts peuvent stipuler :

1- Que les parts des associés commanditaires sont librement cessibles entre associés ;

2- Que les parts des associés commanditaires peuvent être cédées à des tiers étrangers à la société avec le consentement de tous les associés commandités et de la majorité en nombre et en capital des associés commanditaires ;

3- Qu'un associé commandité peut céder une partie de ses parts sociales à un associé commanditaire ou à un tiers étranger à la société avec le consentement de tous les associés commandités et de la majorité en nombre et en capital des associés commanditaires » (art. 296 AU/DSC/GIE).

- Gestion : Par un ou plusieurs associés commandités. Un associé commanditaire ne peut être désigné gérant et ne peut accomplir aucun acte de gestion externe même en vertu d'une procuration.

CONCLUSION

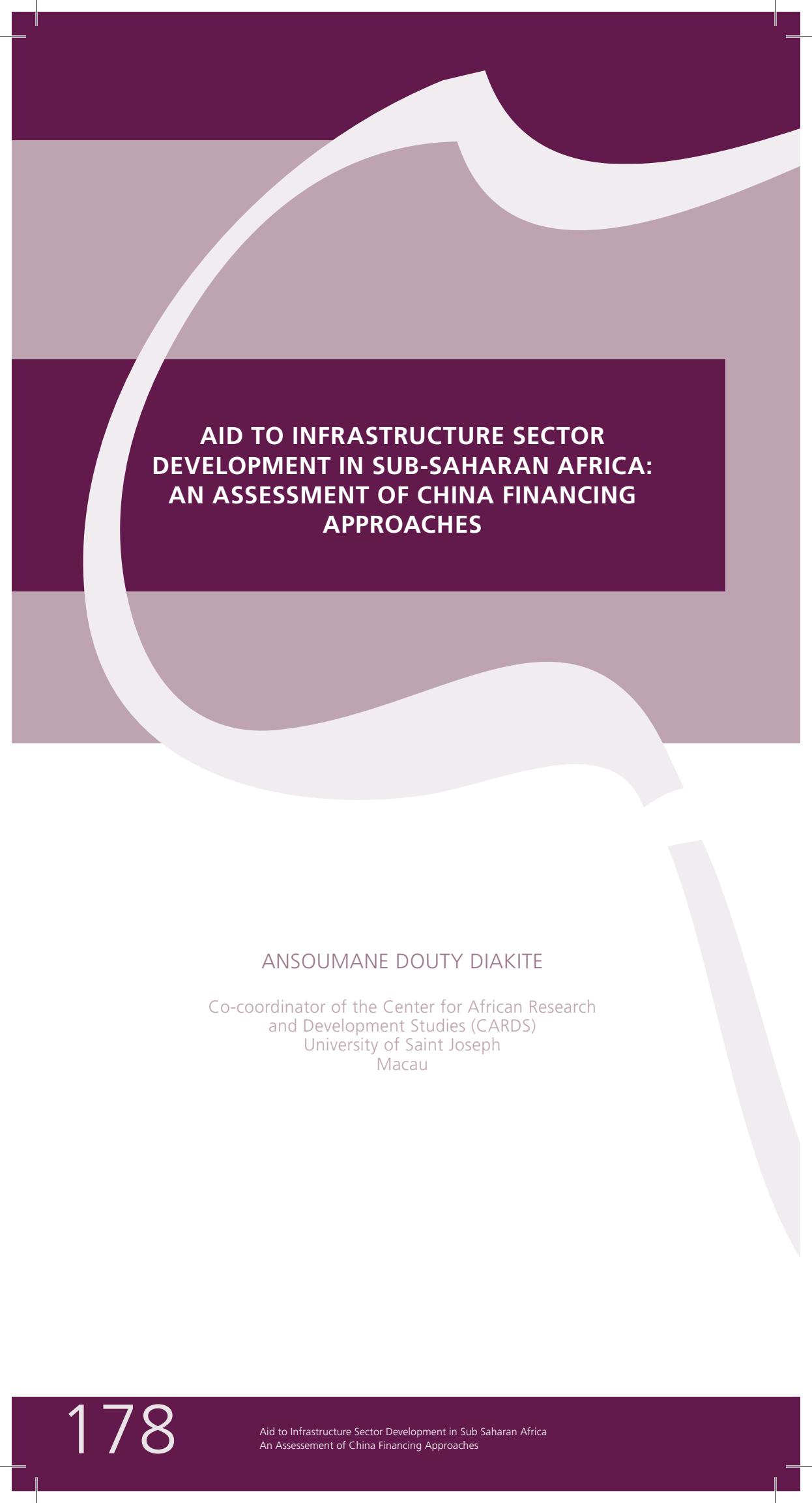
Outre ces quatre formes de sociétés commerciales, il existe deux autres formes, la Société en Participation et la Société de Fait, qui n'ont pas la personnalité morale.

Enfin, nous venons d'exposer brièvement les règles communes pour la constitution des sociétés commerciales dans l'espace OHADA et les règles spécifiques à chaque forme de société. Ces règles sont complétées par les dispositions de l'AU/DSC/GIE relatives à l'organisation, au fonctionnement desdites sociétés, aux titres sociaux et aux valeurs mobilières émises par les SA. Il convient donc de se reporter au dit AU pour une meilleure appréhension des règles qui régissent les activités des sociétés commerciales dans l'espace OHADA.

CONCLUSION GENERALE

Aujourd'hui l'espace OHADA regroupe un ensemble de 17 pays avec des potentialités économiques très importantes qui sont peu ou pas exploitées. Il y a là des opportunités à saisir par les opérateurs économiques Chinois, cela d'autant plus que dans le cadre de l'OHADA les Etats membres ont adopté et mis en œuvre une législation des affaires adaptée à leurs réalités socio-économiques. Il s'agit d'une législation moderne, claire et de compréhension facile. Cette législation communautaire réalise une uniformisation juridique et permet d'instaurer la sécurité juridique et judiciaire et, ainsi, d'inspirer la confiance aux investisseurs tant africains qu'internationaux.

Ainsi, dans cet environnement juridique sécurisant, les investisseurs Chinois peuvent créer des fonds de commerce qu'ils exploitent en tant que personnes physiques, au même titre que les nationaux, ou encore créer des sociétés commerciales et ouvrir des succursales ou encore des filiales de sociétés déjà installées dans d'autres pays. A cet égard, comme on vient de l'exposer les formalités sont simples et faciles à accomplir d'autant plus que dans la plupart des Etats concernés il existe des Guichets Uniques pour les formalités des entreprises, Guichets généralement rattachés aux Chambres de commerce.



AID TO INFRASTRUCTURE SECTOR DEVELOPMENT IN SUB-SAHARAN AFRICA: AN ASSESSMENT OF CHINA FINANCING APPROACHES

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ABSTRACT

In Sub-Saharan Africa (SSA), the lack of infrastructure or modern infrastructure has been the major obstacle for the development of the region. Most countries rely on infrastructures inherited from colonial times, which are nowadays out of date because of lack of renewal and maintenance funds or because the available funds are too scarce to meet the needs. This predicament affects negatively the investment climate and jeopardizes both economic development and the poverty reduction strategy, bearing in mind that 40% of Africa's populations live in extreme poverty.

In light of these problems, this paper aims at analyzing the approaches used by China in developing infrastructure in Sub Saharan Africa. Specifically several elements will be analyzed such as china aid policy toward the infrastructure sector, institution involved, and the methods used to build infrastructure. Three methods or approaches have been identified namely bilateral, cross-countries link and continental approaches. However, the paper advocate that only the first two approaches have been applied so far by China in the process of developing infrastructure in SSA.

I - INFRASTRUCTURE DEFICIT IN SUB-SAHARAN AFRICAN COUNTRIES (SSA)¹

In SSA, the lack of infrastructure or modern infrastructure has been the major obstacle for the development of the region. Most countries rely on infrastructures inherited from colonial times which are nowadays out of date because of lack of renewal and maintenance funds or because the available funds are too scarce to meet the needs. It has been reported that SSA countries spent only 6% of their GDP for the infrastructure building, while China for example spend 15% of their GDP in the infrastructure building.

The infrastructure deficit in SSA can be seen in several sectors such as road and railways, power generation, Information and Communication Technologies (ICT) and water and sanitation service.

The road for example, accounts 90% of the inter-urban transport; it is low in term of density and scarcely paved². As a consequence, it blocks the inter-urban, rural-urban and intra-regional trade. For the railways, there are few, and some of them are really out of date due to the fact that they were built 100 years ago.

In addition, only 20% of SSA population has access to electricity, compared to 50% in South Asia and 80% in Latin America. This energy shortage affects the human condition and the business sector as well. For example, according to the World Bank report, African manufacturing companies experience outage 56% per day a year³. In addition, it has been reported that the countries lose between 1 to 6% GDP yearly due to the power outage⁴.

What is more, Africa is considered to have less than 1/5 the generation capacity per person and electricity coverage of South Asia and less than 1/3 that of East Asian.

In the water sector, the infrastructure shortage has made over 300 million people, about 42% of African population lacking of safe water and 60% of the population cannot even have access to it. In the agriculture sector, only 4% of farmland is irrigated.

Finally, although the digital divide is becoming narrow, there is still problem of interconnection between countries and regions⁵.

As consequences, the cost of doing business becomes higher in SSA than other regions. It affects the economic growth of the region by closing off some part of region from the global economy, reducing as well the firm (local or MNCs) productivity by up to 40% and the human capital and quality life⁶. The

1 Sub-Saharan Africa is a term used to describe the area of the African continent which lies south of the Sahara or those African countries which are fully or partially located south of the Sahara.

2 Road density is lower in Africa than other developing regions: 152 km of roads per 1000 square km of land area, and only one third of it is paved. In the rural level, only one third of rural residents live within 2km of an all-season road.

3 Eberhard et al. 2008

4 For example, Malawi was estimated to lose over 6% of GDP yearly, South Africa and Uganda more than 5%, and Tanzania more than 4%.

5 In the recent study conducted by the African Infrastructure Country Diagnostic (AICD), the need for infrastructure in SSA is estimated at \$93 billion. This amount is distributed in the following way: \$40.8 billion must be spent in the power sector, \$ 34 billion in irrigation, \$21.9 billion in Water and sanitation service sector, \$9.0 billion in ICT, and 18.2 in the transport sector.

6 See Cosima Cassel; Giuseppe de Candia; Antonella Liberatore, June 22, 2010 Building African Infrastructure with Chinese Money, Page 4

infrastructure problem affects also the consumption prices of the good and services, which are much higher in the SSA countries compared to the other regions. Africans pay three to ten times more the same service or good compared to user or consumer elsewhere¹. Once again, this increases the cost of doing business in Africa and reduces household demands. At regional level, Africa's intra-regional trade is affected as well. There is less trade between the regions despite the establishment of economic regional integration. The main reason is the lack of good road linking countries or regions. The existing roads are unpaved or in bad condition which made the transportation system unbearable for the user and traders.

In addition to the international financial institutions, regional organization (EU) and traditional bilateral donors' efforts to build infrastructure across SSA countries, China became nowadays one of the biggest sponsors of the economic and social infrastructure building in African countries.

However, China is using different strategies in approaching and helping the infrastructure sector and the following chapter will assess these strategies.

II- CHINA AID RELATION WITH SUB SAHARAN AFRICAN COUNTRIES

China and Africa relation goes back to the 960-12792. However, with the creation of the PRC on the 1st October 1949 and after the Bandung conference, China-Africa relation took a new turn³. Chinese government started to provide, and the first to received at that time was the Republic of Guinea in 1959.

As first partner of China in SSA, Guinea-Conakry received many support in the infrastructure sector. Most of Chinese aid was oriented to productive infrastructure such as sugarcane farm of Koba, Thea factory in Macenta, the hydropower of Kinkon and Tinkisso etc. In addition to Guinea, others countries also received China support in infrastructure sector such as Zambia and Tanzania. The focus of the aid was to build the Tazara railways (between 1970-1975), a transport corridor linking Zambia to the coastal port of Dar es Salaam in Tanzania and thus providing Zambia with an alternative route to the sea.

The motivation of China aid from 1959 to the end of Cold War was mainly ideological. The assistance to Guinea and the Tazara railway are cases in point. But, since the open door policy in 1978, the motive underlining the China aid giving policy has changed. With the desire to sustain the country's rapid economic growth and face global competition, the need for expansion upon international market and the seeking of energy and mineral resources have been a key determinant of China policy toward Africa. This situation has led to many debates about the reason Chinese presence into SSA. Western scholars advocate that the contemporary motive of China in giving aid is to get the natural resource. However, Chinese scholars and politicians are seeing that situation as win-win approaches of Chinese and African cooperation. Since the

1 See Cosima Cassel; Giuseppe de Candia; Antonella Liberatore, June 22, 2010 Building African Infrastructure with Chinese Money Page. Page 6

2 Ian Taylor, China and Africa Engagement and compromise, Page 16, Ed 2006, published by Routledge Contemporary China Series. See also Zhou Enlai speech in Tanzania in 1965

3 Sudan February 4, 1959; Guinea October 4, 1959; Ghana July 5, 1960; Mali October 25, 1960 Somalia December 14, 1960; Democratic Republic of Congo February 20, 1961 ; Uganda October 18, 1962 Kenya December 14, 1963; Burundi December 21, 1963 etc.

aim of this paper is not to assess the motive behind China aid policy, the issue will not be subject for further comment.

III-CHINA AID TO INFRASTRUCTURE SECTORS

I.CHINA AID POLICIES TOWARD INFRASTRUCTURE DEVELOPMENT IN SSA

The key principles underlying China infrastructure aid are the promotion of mutual benefit for both, China and African countries. The reciprocity and complimentarily in action between economies are also cited as one of the key elements in their cooperation.

These principles have been repeatedly stated in the policy statements, legal documents, forums and conferences between China and African countries. These two ways approach of China make it quite different from the traditional donors (such as EU) which request for economic and political reform in order for the recipient countries to be qualified to receive aid. In contrast, China is adopting the "No string attached policy" with a limitation such as the respect of "One China Policy". Although there is no political conditionality and economic reform requirement from China toward the recipient countries, there are however some others hidden economic conditionalities. These conditionalities come with the loan provided by China policy bank, such as China Exim Bank (a policy bank in charge of providing aid to the infrastructure sector). To have access to the loan there are some economic requirements to be fulfilled by the recipient countries. First of all, there is a requirement to recruit Chinese enterprise as the contractor for the infrastructure building, and second, no less than 50 percent of the equipment, materials, services, or technology needed to implement the project should be secured from China. Third, the loan is medium to long-term loans with an emphasis on the profitability of projects.

Furthermore, the loan agreement signed by the China Ex-Im Bank and the borrower may include the Angola model for example. This agreement set the conditions and modalities for the infrastructure financing and the loan repayment. The arrangement allows countries with abundant resources but limited creditworthiness to package the exploitation of natural resources with the development of infrastructure assets.

II. TYPE OF AID USED TO FINANCE INFRASTRUCTURE

There are different types of aid instruments used by China to finance infrastructure in SSA. The first one is the grant, which is always in kind given the bad result of continent with cash disbursements by traditional donors. It is basically provided by the MOFCOM (US\$1million) and represents 1% only¹. On one hand, this type of financing has been provided for social welfare project such as hospitals, schools, and housing; and on the other hand, it goes as well to the rehabilitation of power plants, or construction of prestige transport infrastructure projects (airports, bridges, bypasses). In addition, it has been used to finance for example office equipments (Zambia), agricultural equipments and irrigation equipments (Zimbabwe), the construction of the 1,721 acre Kibimba rice scheme in western Uganda. In term of geographical distribution, it has been

¹ See Chinese infrastructure finance commitments in Sub-Saharan Africa by source and type, 2001–07

given to smaller countries such as Burundi, Cape Verde, Comoros, and Rwanda.

The second type of aid is the interest free loan, which is an interest subsidy loan given by the PRC (MOFCOM) to the recipient government. It has been used to finance infrastructure project as well.

The third type of aid is the concessional loan which is provided by the Exim Bank to finance also infrastructure building in Africa. The interest rate of the concessional loans is approved by the MOFCOM and officially subsidized by the government through the foreign assistance budget in the Ministry of Finance. The concessional loan represents 92% of China's infrastructure finance commitment in Africa¹.

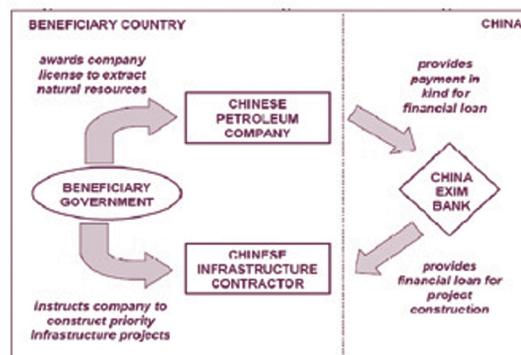
III. INSTRUMENTS USED TO FINANCE INFRASTRUCTURE : RESOURCES FOR INFRASTRUCTURE (R4I)

R4I is a mechanism through which the repayment of the loan given for the infrastructure building is made in terms of natural resources (e.g. Oil, Cocoa, Bauxite ...). It requires an intergovernmental framework agreement which establishes the purpose, amount, maturity and interest rate of the loan. The loan agreement, in most cases partially concessional, is then signed between the borrower government and China Exim Bank. The interest rate varies from 1.25% to 3%, there may be a short grace period, repayment is over 10–20 years, and Renminbi is the debt currency².

In addition, the deals require that a share of the projects (80-60%) must be subcontracted to Chinese companies, chosen by Chinese authorities and approved by the African government. The Chinese company performing the agreement will receive the payment in successive tranches, released against project completion and directly in China via the Exim Bank. The funds are never transferred to host governments.

The mechanism however has been criticized for its environmental damage³, the debt sustainability, Dutch disease, corruption and loss of competitiveness.

Figure 1: Infrastructure backed loan mechanism



Source: Foster et al. 2008

1 Generally, loans must be utilized for infrastructure (energy, transportation, and telecommunications), social (health and housing) or industrial (manufacturing, mining) projects.

2 Reisen 2007

3 In December 2003, China Exim Bank approved \$519 million in loans for the Merowe Dam in Sudan. It thus helped kick off a project which would displace more than 50,000 people from the fertile Nile Valley into desert locations, and for which the Sudanese government had failed to attract funders for many years.

Figure 2: Countries using this mechanism of financing infrastructure

Country	Year of the commitment	Status at the end of 2007	Natural resource to be received in payment	Project description	Total Chinese financing (\$ millions)
Congo Rep.	2001	Under construction	Oil	Congo River Dam. Backed by crude oil guarantees.	280
Sudan	2001	Completed	Oil	Construction of the El-Gaili (Al Jaily) Power Plant, first two phases with Sudan's oil serving as collateral for the loans.	128
Angola	2004	Completed	Oil	Oil-backed loan to repair damaged infrastructure bombed in the country's civil war (power, transport, ICT, and water portion). China to receive 10000 barrels of oil per day.	1020
Nigeria	2005	Under construction	Oil	Construction of gas turbine power plant at Papalanto. PetroChina secured by a deal to purchase 30000 barrels of crude oil a day from the Nigeria National Petroleum Corporation (NNPC) for a period of one year, renewable	298
Guinea	2006	Agreement	Bauxite	Souapiti Dam project. Reportedly linked to mining (Bauxite) revenues.	1000
Gabon	2006	Agreement	Iron	Bélinga iron ore reserve. Loan is to be repaid via sales of iron ore to China.	Not available
Zimbabwe	2006	Agreement, possibly not materialized	Chromium	Construction of new coal mines and three thermal power stations in Dande, the Zambezi valley on the Zambian border. In exchange, Zimbabwe was to provide China with chromium.	Not available
Ghana	2007	Under construction	Cocoa	Bui Dam Hydro-power project. Part of the Loan will be repaid in cocoa exports to China.	526
Total					3287

Source: Foster *et al.* 2008

IV- INFRASTRUCTURE BUILDING APPROACH: BILATERAL, CROSS-COUNTRIES LINK OR CONTINENTAL APPROACH?

I. OVERVIEW OF THE APPROACHES

It is quite difficult to say with accuracy the approach used by China in building infrastructure in SSA. So far, what we have noticed is that China is using a little bit of each approach in dealing with infrastructure building in

SSA. The continental approach¹ has been announced in the policy statements or documents between China and Africa² and the other approaches (bilateral and cross-countries link) are seen both in policy documents, and also in practice.

Starting from the bilateral approach³, China has always been dealing with African issues or developmental problems on bilateral basis. The reason behind this approach is that China has great interest in dealing bilaterally with African countries due to its different interest at stake in each of those countries. While some countries are politically very important and others economically important, they both contribute differently to the achievement of either China foreign policy or development need.

In practice, this bilateralism can be seen through the provision of grant, free-interest loan and concessional loan for infrastructure development. Under this approach, China has built several infrastructures that are related to economic (road, railways, factories, irrigation, hydroelectric power, ICT etc.) or social (hospital, school, stadium and water pump, etc.). The government buildings such as residential housing as well as presidential palaces and parliamentary buildings have been built through that process. There are more than 35 countries receiving Chinese support and the biggest are resource rich countries such as Angola, Nigeria, Soudan, Zambia, Ghana and Ethiopia etc.

As for the cross-countries link approach in building infrastructure, China has provided funds and built cross border infrastructures⁴. Among others one can cite the Tazara railway connecting Zambia and Tanzania, and the railway linking Angola – DRC etc.

The continental approach of dealing with continental organization is quite new and less practiced by China in the infrastructure sector. Even though it has been established as a multilateral forum for discussion and negotiation with African countries such as FOCAC, all the commitments that have been undertaken by china in the different FOCAC, have been performed on bilateral basis and despite China acknowledgement to work with continental organization such as AU and NEPAD.

This acknowledgment was made in the 2004 Addis Ababa Plan, where China agreed with its African partners that underdeveloped infrastructure is still a continental problem and an obstacle to its social and economic development. Further, with the identification by African countries of the NEPAD priority area such as infrastructure development and improvement, China committed itself to support the infrastructure development in the landlocked area⁶. A

1 The continental approach refers to an infrastructure building within the program of continental such as NEPAD.

2 See FOCAC

3 Bilateral agreement between china and recipient country about building infrastructure, and the infrastructure resulting from this agreement will benefit only the recipient country.

4 During a six-nation tour of Africa in June of 2006, Premier Wen Jiabao said that "China has offered more than US\$44 billion in aid over the past 50 years to finance 900 infrastructure projects".

5 In the FOCAC action plan 2009-2012, the two sides agreed on one hand that infrastructure will remain a priority in China-Africa cooperation, and on the other hand the African side expressed the wish that the Chinese side will support development projects that promote regional integration. Recognizing Africa's urgent need for infrastructure development, the Chinese side will support the building of major infrastructure projects in Africa to promote Africa's economic and social development.

6 "We agree to continue to place infrastructure development on top of China-Africa cooperation agenda and actively explore diversified forms of mutually beneficial cooperation. To this effect, China will support particularly the infrastructural projects aiming at contributing to the reduction of the negative impact on land locked economies due to lack of access to the sea".

Memorandum of Understanding was signed between the NEPAD Secretariat and the Secretariat of the Chinese Follow-Up Committee of FOCAC in July 2006¹. China has also contributed US\$500 000 to certain infrastructure projects of the NEPAD². An interesting point to note is that China's support for NEPAD has also been reflected in the Joint Statement of the 9th European Union (EU)-China Summit held in Helsinki on 9 September 2006. The Statement includes the following "The leaders agreed to pursue a structured dialogue on Africa and explore avenues for practical co-operation on the ground in partnership with the African side, including with the support of NEPAD initiatives and with the aim of attaining the Millennium Development Goals (MDGs). The leaders welcome China's structured co-operation with Africa through the FOCAC".

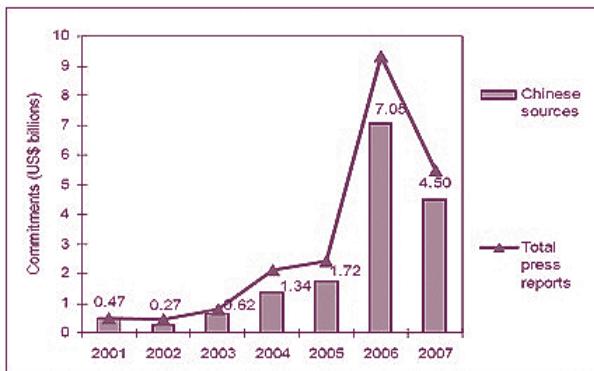
Therefore, working with NEPAD is becoming a new approach for China in dealing with African development issues. However and so far, nothing has been done in the infrastructure sector in collaboration with NEPAD.

Since it is easier to identify infrastructure built under bilateral and cross-countries link approaches, the next chapter will be focus only on two kinds of infrastructures.

II. INFRASTRUCTURE BUILT UNDER THE BILATERAL APPROACH WITH AN IMPACT ON THE RECIPIENT COUNTRY ONLY

According to the press reports subsequently verified from public Chinese language websites, Chinese financial commitments to African infrastructure projects increased from less than US\$1 billion per year in 2001–03 to around US\$1.5 billion per year in 2004–05, and reached at least US\$7 billion in 2006 a year known as China's official "Year of Africa", then decreased to US\$4.5 billion in 2007 (see Fig 1).

Figure 1: Chinese support to infrastructure sector from 2001-2



Source: World Bank–PPIAF Chinese Projects Database, 2007.

1 Madam Xu and Prof. Mucavele signed a Memorandum of Understanding on Strengthening Consultation and Cooperation between Secretariat of the Chinese Follow-up Committee of FOCAC and Secretariat of NEPAD on July 12, 2006.

2 Chinese gov't grants \$500,000 to support NEPAD Nurses and Midwives Post-Graduate Training Program. The NEPAD Nurses and Midwives Post-Graduate Training Program is a pilot project of training of the trainers. It is envisaged to open 3-year post-graduate training courses at 5 universities in Tanzania and Kenya, which have already established graduate training courses of nurses and midwives

So far, the amount disbursed by China to finance infrastructure has been focused on economic infrastructure and in some countries on social infrastructure¹.

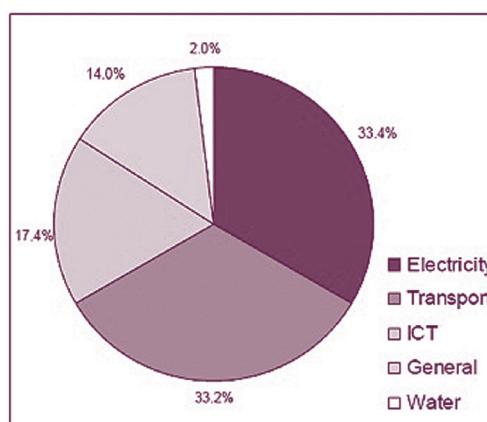
As for the economic infrastructure, the priority has been given to the power sector (hydropower) with a total amount of US\$ 3.3 billion in 2007 for the construction of ten major hydropower projects amounting to some 6000 megawatts². This amount represent 8,08% of the US \$ 40.8 billion needed to fill the power gap in SSA. The biggest recipients are Nigeria (2,600-MW Mambilla scheme)³, Sudan (1,250-MW Merowe dam), Zambia (1,000MW between the Kafue Lower Gorge Kariba North projects), Mozambique (Mphanda Nkuwa dam on the Zambezi river), DRC (The Congo River Dam), Ghana (Bui Dam), Ethiopia (300-MW Tekeze), Guinea (Souapiti Dam), and Gabon(Poubara hydropower dam).

The transport sector has received a great attention as well. In the transport sector the railways have been the priority with financing commitments of US\$4 billion. This represents more than 21% of 18.2 billion needed to fill the transport gap⁴. The largest railway deal has been with Zambia, Tanzania, Nigeria (Lagos-Kano railway and Abuja Rail linking Lagos and Abuja), Gabon and Mauritania.

As for the social infrastructure, China has built schools, water pump, hospital, and government building. These infrastructures are built in the resources rich countries and non-resources rich countries as well.

For the road project, more than 18 projects involving the construction and rehabilitation of more than 1,400 kilometers of road with a budget amounting US\$550 million have been built in SSA by China. The biggest recipient countries of those projects are Angola, Ethiopia and Botswana

Figure 2: Confirmed Chinese infrastructure finance commitments in Sub-Saharan Africa by sector between 2001

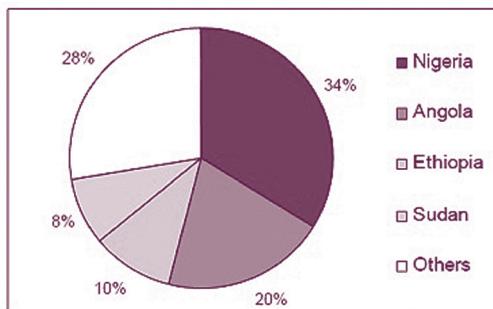


Source: World Bank–PPIAF Chinese Projects Database, 2007.

- 1 Regarding the difference between economic and social infrastructure refer to Jin Ling, Aid to Africa: What can the EU and China Learn from Each Other?
- 2 Once completed, these schemes will increase the total available hydropower generation capacity in Sub-Saharan Africa by around 30 percent
- 3 Nigeria's first loan from the China Ex-Im Bank came in 2005 to support construction of power stations at Papalanto (335 MW), Omotosho (335 MW), and Geregu (138 MW) in Ogun, Ondo, and Kogi states
- 4 They include rehabilitation of more than 1,350 kilometers of existing railway lines and the construction of more than 1,600 kilometers of new railroad.

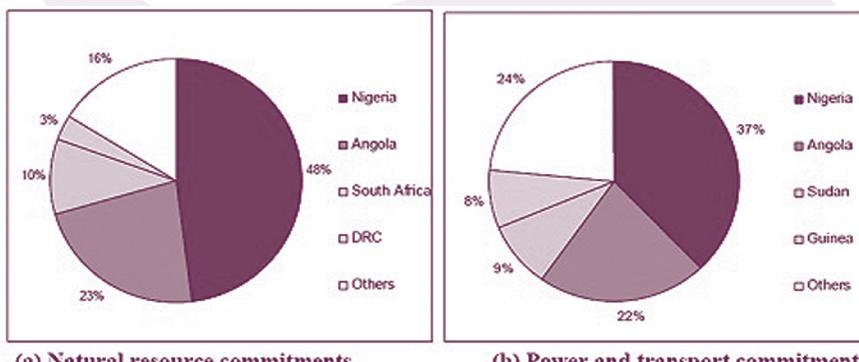
In term of geographical and bilateral distribution, it has been reported that 70% of China infrastructure support goes to Nigeria¹, Angola², Sudan³, and Ethiopia⁴(see fig 3). The degree of complementarities between China and recipient countries determines also the willingness of china to finance the infrastructure project (see fig 4).

Figure 3: Geographical distribution from 2001-2007



Source: World Bank–PPIAF Chinese Projects Database, 2007.

Figure 4: Country shares of Chinese natural resource investment and finance commitments into power and transport in Sub-Saharan Africa, 2001-2007



Source: World Bank–PPIAF Chinese Projects Database, 2007.

Finally, the ICT is also a sector where China has built some infrastructures. The biggest recipient is Ethiopia with US\$ 1.5 billion support. Ghana also has received US\$ 31 million for the National Communication Backbone Infrastructural Project.

After highlighting the sectoral and geographical distribution of Chinese

- 1 In 2006, US\$5 billion of infrastructure projects were agreed, including the 2,600-MW Mambilla hydropower scheme and two major projects to upgrade and modernize the country's railway system
- 2 US\$4 billion credit line with the first installment for US\$2 billion backed by 10,000 barrel per day of oil export.
- 3 China has financed close to US\$1.3 billion of infrastructure projects, including the development of more than 2,200 MW of thermal generating capacity, the 1,250-MW Merowe hydropower scheme, and a number of other significant investments in the rail, road, and water sectors.
- 4 China's engagement in Ethiopia amounts to a total of US\$1.6 billion. The main focus has been on the ICT sector, particularly the Ethiopia Millennium Project to create a fiber optic transmission backbone across the country and roll out the expansion of the GSM network.

infrastructure in the previous paragraph, the next discussion will analyze the reason why China prefers to deal on bilateral basis with African countries.

First, bilateral cooperation between African states and China has been favored as a result of the lack of coordination, strong regional economic communities and united voice from Africa¹. This has also led to the absence of multilateral regional coordination in terms of infrastructure development.

Second, bilateralism is also indirectly supported by SSA countries because of the gap between national and regional priority: Also they believe that the resources are allocated in accordance with the government priorities.

Third, it has been reported that bilateralism is favored because of the finality of certain infrastructure such as road and railways. These two infrastructures have been used in some cases to link the natural resources area to the port in order to facilitate their export into China.

This approach has shortcomings because it has less impact or does less in achieving the overall goal of the regional and continental institution which is to integrate the continent through infrastructure development. In addition, it has been reported that this approach only favors China's needs, and in the sense that it connects or builds infrastructure only in the resources rich countries, which are economically important.

To remediate this situation it has been proposed that SSA countries must have a cross border project that may positively impact them and accelerate their integration. Angola and DRC on one hand and Zambia and Tanzania on the other hand have shown an example of this kind of cross-border infrastructure building with China.

African countries need to find a way to be united at a government level, and to pursue common goals at a regional level. They should make use of regional and continental institutions such as RECs, AU and NEPAD and allow them to speak on their behalf and present regional and continental projects on infrastructure. Further, an emphasis must be put on obtaining infrastructure corridor that is not linking only the natural resources area to the port or airport, but linking country to each other.

III. CROSS COUNTRIES LINK APPROACH WITH POSSIBLE REGIONAL IMPACT

This approach started with the Tazara railway project in the 1970s linking Zambia to Tanzania. With the Chinese government commitment to build SEZ² in Africa, and the ambitious plan announced at the 2006 Forum on China and Africa Cooperation (FOCAC) meeting³, several infrastructures (rail, road and mega dam) have been built in order to link different countries and even regions. Beijing has been for example funding the rehabilitation and construction of new rail tracks that link the southern Atlantic coast of Africa in the Angolan port city of Bengela and two ports in coastal countries along the Indian Ocean: one in Tanzania at Dar es Salaam and another in Mozambique, probably at Nacala or Beira⁴. It has been reported that in the future China will be willing to build the

1 Chris Burke, Research Fellow, Centre for Chinese Studies

2 Several SEZ has been established in SSA and the following countries are the example: Zambia (at Chambuchi and Lusaka), Mauritius. The Chinese government confirmed its intent to proceed with the establishment of SEZs in two other SSA countries: Nigeria (two zones) and Ethiopia

3 This strategy forms also an integral part of the PRC's Eleventh Five Year Plan (2006-2010)

4 Loro Horta, China Building Africa's Economic Infrastructure: SEZs and Railroads Jamestown Foundation China

rail linking Zambia to Tanzania and to Angola port and therefore, the continent will be linked for the first time from coast to coast. There is also plan to link Lubumbashi (in DRC) to Lobito port in Angola, once the rehabilitation of the Benguela railway is complete¹ (fig 5).

Figure 5: Cross Country infrastructure: West-East Transport Corridor



Despite the fact that China is linking country through infrastructure, there are some voices criticizing the aim behind this approach because the infrastructure built are located mainly in the place where the natural resources are. There is a question whether all this achievement is bad for African countries?

First, there is a need to understand that China presence in Africa is conditioned by the achievement of mutual benefit. China has economic constraint which needs to be satisfied and likewise, SSA is thirsty of infrastructure and therefore, both cooperation based on equality and mutual benefits can help Africa translate African resource advantages into development advantages and promote common development². In other words, Africa is more likely to win infrastructure against natural resources with this approach. This strategy is for the time being an acceptable way for Africa to accelerate its development process. Furthermore, it has been said that only 7 percent of Chinese infrastructure finance is directly linked to natural resource exploitation; most of the resources are directed to broader development projects³.

Second, it is a way for China to contribute to the connecting of different parts of the SSA regions and therefore, contribute to regional integration process in

1 See also Lucy Corkin, Christopher Burke and Martyn Davies, China's Role in the Development of Africa's Infrastructure Centre for Chinese Studies, Stellenbosch University.

2 Mr. Li Ruogu, Promoting China-Africa Cooperation for Mutual Benefits, Exploring New Development Road for Mankind

3 Vivien Foster & William Butterfield & Chuan Chen & Nataliya Pushak, Building Bridges: China's Growing Role as Infrastructure Financier for Sub-Saharan Africa, page 6

SSA. The RECs and NEPAD¹ would be the right interlocutor of Africa with China.

V-CONCLUSION

Sub Saharan Africa is one of the most disadvantaged regions in the world in terms of infrastructure availability. The most basic infrastructures are lacking, and this predicament affects considerably the investment climate, economic growth and therefore jeopardizes the poverty reduction strategy undertaken by SSA countries.

To help them overcome this lack of infrastructure, China as a partner of African countries has been involved for years in financing infrastructure in Africa under the so-called south-south cooperation, based on mutual benefit. From this research, it can be said that China deals most often bilaterally with recipient countries due to different interests it may have within each country. But the ultimate reason has been that African countries are not ready yet to deal with China through single voice, policy document or agreement. There is China policy toward Africa but there are no African policy toward China. This is to say that African countries do not have a single policy toward China (be it at national or continental level), which may include their development need and priority such as infrastructure development.

The financial tool used to finance infrastructure (R4I) has also been criticized. African countries are in need of infrastructure, and traditional donors have been reluctant to provide assistance to the economic infrastructure and focus more on social infrastructure and projects. Often the financial assistance provided to finance those projects are difficult to get due to the number of conditionalities. The question here is whether SSA countries have to wait till the reforms requested by traditional donors are fulfilled in order for them to get the infrastructure needed. In other words do they need to finish taking the development prescription made by traditional donor and then get the infrastructure? Absolutely not.

African leaders have welcomed this approach because it allows them to get the infrastructure needed for their development and also help China to face its development constraints.

Even though the bilateral approach is welcomed by both sides, it is better for both partners to reorient their infrastructure building toward the facilitation of regional and continental integration. The cross- countries link is a good step and should be deepen and extended toward to other countries in the region. Linking Angola-Zambia-Tanzania and DRC is a good starting point in China infrastructure development aiming at linking several countries. But once again, China must not only link the place of natural resources to the ports but also link the resources rich countries to non-resources rich countries. This corridor will aim at promoting trade between countries or even regions in the case of corridor linking two regions.

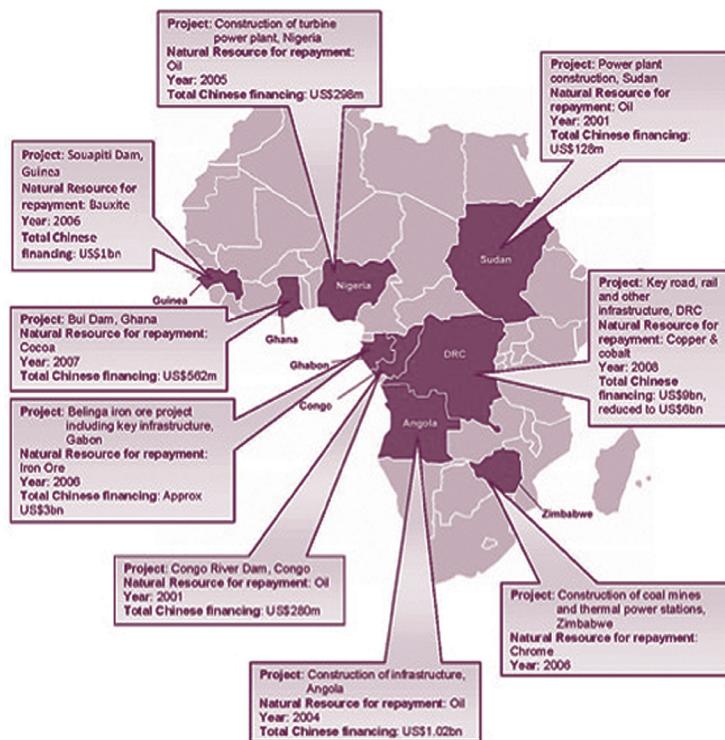
The continental approach will still be needed because African countries are looking forward to unite the continent. An African economic community has been established in 1994 with an aim to ensure the economic integration of the continent. How can this be done without any capacity of African countries to ensure the movement of goods and services through a great and reliable infrastructure?

1 NEPAD is not subscribed to by all African countries

It is clear that an economic integration without reliable domestic and regional infrastructure will be difficult to achieve. Therefore China's involvement in the infrastructure building at regional and continental level is imperative. Different policy documents concluded between China and Africa in the FOCAC have opened the way for China to join the regional and continental project of infrastructure development.

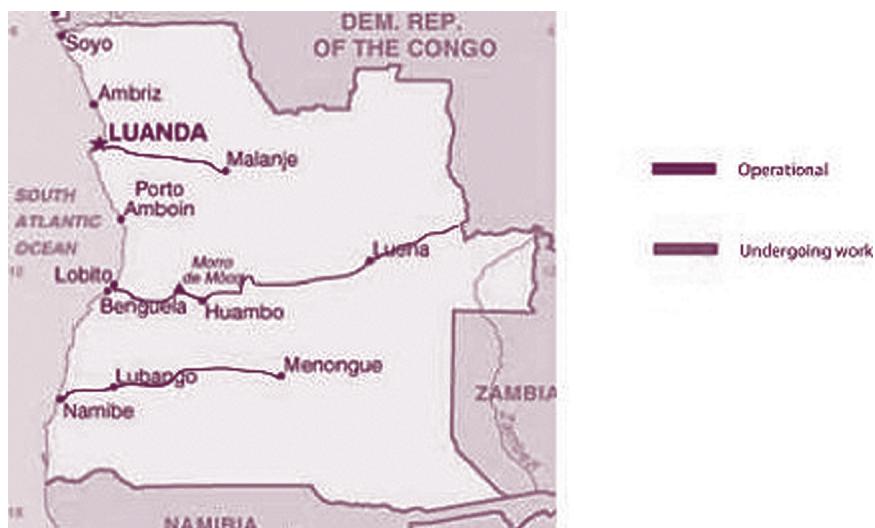
ANNEX 1

Major Concessional Finance Deals



ANNEX 2

Railways and Road connection in Angola



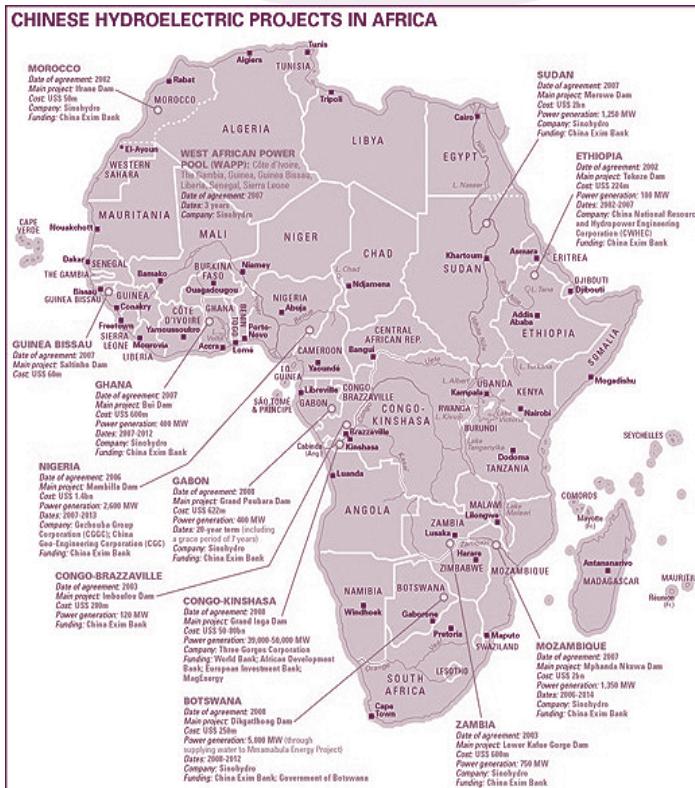
ANNEX 3

Railways and Road connection in DRC



ANNEX 4

China Hydroelectric projects in Africa



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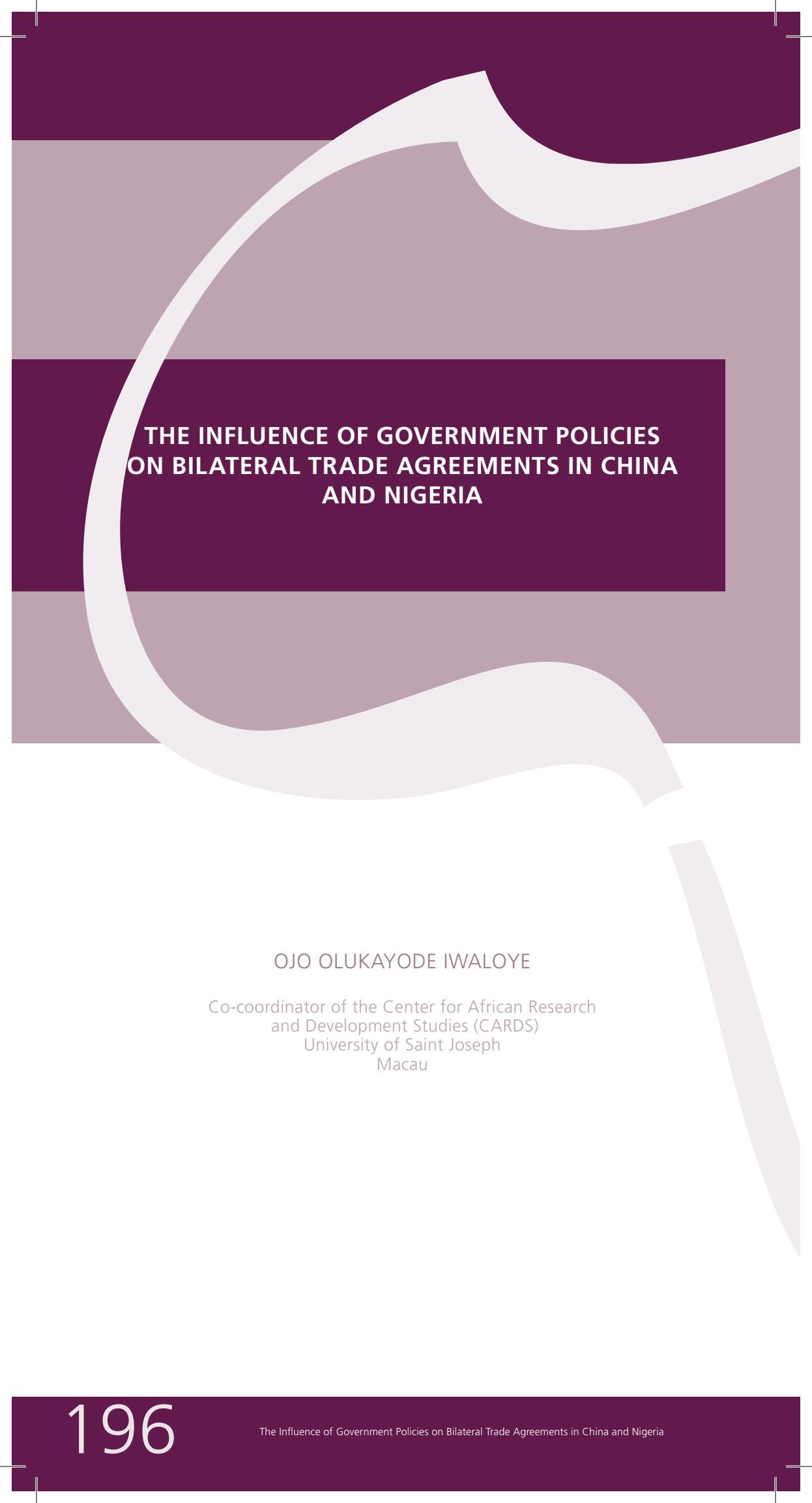
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THE INFLUENCE OF GOVERNMENT POLICIES ON BILATERAL TRADE AGREEMENTS IN CHINA AND NIGERIA

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ABSTRACT

It is well recognized that there are many business opportunities in Nigeria and Sub-Saharan African countries. However, for various complex reasons, the challenges posed by threats to business are enormous. All the same, it is important to Nigeria to create and promote those high scale investment opportunities that Chinese firms are noted for. Therefore, both governments need to facilitate a bilateral framework able to promote the necessary twofold trade partnership. This paper finds that there are no any significant Nigerian firms investing in China while there are avalanches of Chinese firms in Nigeria ranging from exporting firms to wholly owned investment companies.

INTRODUCTION

This paper deals specifically with the development of Chinese firm investment in Nigeria since the adoption of bilateral trade agreements. It looks at the influence of the policy on Nigerian and Chinese firms operations which are based on series of initiated and completed bilateral trade agreements and what are the future opportunities.

After many years of developmental economic actions, Nigeria and China are continuing to solve series of challenges still undermining their growth and development. In Nigeria, the challenges are enormous compared to its Chinese counterpart. To mention a few, some issues includes corruption, environmental deterioration, decay of infrastructures, incessant power outages, poor governance, security of life and property, level of poverty, social unrest and unemployment. The devastating effects of these factors are not only on quality of life of Nigerians; they are as well endangering, threatening and hindering its growth and development. The efforts of both the past and present governments to turn the economic landscape of the country to an envious position have been overshadowed by the continuation of these problems. The government has adopted several policies in an attempt to curb the situation. One such policy directions is to enter into bilateral trade relationships with many countries, a framework to strengthen international cooperation and provides a new and common direction and pattern for sustainable development, (Adeleye S. A, 2003) and also for security and stability

This is evident in the relationship between Nigeria and the People's Republic of China. In the last decade, they have entered into series of bilateral trade agreements to facilitate development which will spring up and drive their economies to a balance and universally beneficiary future (Zugui, 2008). The importance of this policy in the era of globalization and in a world where interdependence is growing by the day will yield great mutual benefit to both countries.

1.1 CHINA-NIGERIA HISTORY OF ECONOMIC RELATIONS

The People's Republic of China solidarity and cooperation with African countries is never in doubt. Before 1950, during the colonial era, China has been involved in Africa, tangible numbers of Chinese living in South Africa led to the opening of a general Chinese consulate in Johannesburg by Qing dynasty in 1897, and diplomatic relations were established between the two countries in 1931. The foundation for future groundwork in Africa was laid in April, 1955 during the Asia-Africa conference in Bandung, Indonesia. This marked the start of definite interest in Africa and developing world by China as recorded by Ian Taylor (2006) and it is largely aimed to enhance the unity and cooperation of African against the West hegemony. Both regions highly benefited from this conference. China signed the first trade agreement with Egypt four months later and diplomatic relations in May 1956, Morocco and Algeria in 1958 and Sudan in 1959. There was an increase in the number of diplomatic ties from 3 to 13 in 1967, and 30 in 1974.

Sino-Nigeria relations actually started in 1957 when Chinese links with the Northern Africans' countries was at its peak. Nigeria first contact with Chinese

government was through Egypt when Chan Hiang-Kang, commercial officer in the Chinese Embassy in Cairo, established unofficial trade links with Nigeria, along with Ghana, Tanganyika (now Tanzania) and Ethiopia (Momoh, 2010). At that time, there was a ban on Nigeria relations with Communist world. Any form of contact with the Eastern block was prohibited by the then colonial masters.

The much awaited respite came in 1958 before Nigerian Independence when the first Nigerian Prime Minister, Sir Abubaka Tafawa Balewa, reversed the policy in the parliament. A year after its independence, in February, 1971, the initial mutual friendship developed into an enviable ambassadorial level (Uba, 2009; Momoh, 2010). They established diplomatic relations with each other when the representatives of both countries signed the Joint communiqué on the Establishment of Diplomatic ties. Since then both nations have supported each other in international affairs and have also deepened their development cooperation and economic relations (Abuah, 2001)

Nigeria-China development cooperation's are huge, strategic and growing exponentially. However, according to CTEA 2010, a rewarding relationship between both countries began in earnest when Fang Yi, former Chinese Minister of Foreign Trade and Economic Cooperation, visited Nigeria in 1972. The visit provided an opportunity to sign the first economic, scientific, and technical cooperation agreement as well as a trade agreement between the two countries.

The coup d'etat that brought Murtala Muhammed and Olusegun Obasanjo to power in 1975 and the completion of TANZAM Railway project in East Africa opened another opportunity for Nigeria and China to deepen their relationship. Discussion on the rehabilitation of Nigerian Railways helped to promote the relations. Although, the deliberations and negotiations on the railway project were abandoned, but, there were other high level visits (Table 1) which served as precursor to relationship development and signing of bilateral Trade Agreements (See appendix 2) between the two countries.

1.2 CHINA AND NIGERIA DIPLOMATIC RELATIONS

Nigeria and China have recently concluded series of bilateral trade agreements (BTAs) brought about by high level visits of their Presidents and top government officials since 1999. The two countries eager to sustain the gains of economic, social cultural and political reforms they embarked on lately. According to Liu Guijin, Chinese top diplomat and special envoy to Africa who reiterated that the two countries shared a common trench morally, materially and politically and these similarities have contributed to blossom trade and economic relations as Nigeria is ranked as number four in bilateral trade with China (Charles Onunaiju, 2009). Sino-Nigeria bilateral trade volume increased from 178 million U.S dollars in 1996 to US\$1.44 billion in 2001; in 2003, it was US\$1.858 and stood at US\$2 billion and US\$2.83 in 2004 and 2007 respectively (Momoh, 2009) but US\$7 billion in 2008 (Hassan, 2010; Charles Onunaiju, 2009)

Nigeria and China established diplomatic relations with each other on February 10, 1971 when both countries signed the "Joint communiqué on the Establishment of Diplomatic Relations between the People's Republic of China and the Federal Republic of Nigeria". Since then both nations have supported each other in international affairs and have also deepened their development cooperation and economic relations.

Nigeria-China cooperation development is huge, strategic and growing exponentially. However, the balance of trade between both countries has always been in China's favour. Beyond trade agreements and protocols both countries are determined to learn about the deficits and critical strengths of the great transformation of China and the potentials of Nigeria with a view to turn the existing disadvantages or deficits in cooperation or relations into opportunities for development.

Both countries exhibit similar though not identical historical and neo-colonial experiences. The two countries are the most populous in Africa and Asia respectively. Nigeria has one of the largest hydrocarbon deposits in the world and China is the world fastest growing economy. China is the second largest economy since 2005 (Kelvin, H and Li, Y, 2010) and will be the largest economy in the world by 2027. Nigeria on the other hand is projected to be the 20th largest economy in 2025 but could become the 12th in 2050 (Kelvin, H and Li, Y, 2010). China in many respects is undergoing impressive economic reforms which are also changing Nigeria.

Taking the foregoing into account and the weak quality of government industrial polices and institutions as a determining factor for ensuring sustainable industrial development in Nigeria and Sub Saharan Africa, China's industrial partnerships in Africa offers a significant development and policy challenges and adjustments. This in most cases can be quite severe and provide the capacity and opportunities for deepened international industrial competition and collaboration for both China and Nigeria (Amadasun and Iwaloye, 2009).

1.3 BILATERAL TRADE AGREEMENT BETWEEN NIGERIA AND CHINA

Bilateral Trade Agreements (BTAs) are a medium between Nigeria and People's Republic of China to negotiate and regulate the conduct of trade issues in order to achieve long lasting trade resolutions to the mutual benefit of both countries. It is the commonest form of trade agreements when efforts at multilateral and regional trade Agreements levels fail to yield the expected or positive results (Mastel, 2004). It also involves two countries without any geographical regional restrictions (Menon, 2007), as the case between Nigeria and Mainland China.

Bilateral Trade Agreements (BTA) and Free Trade Agreements (FTA) are synonymous in nature and operation: many of FTAs are bilateral. It is a mutual arrangement where they both enjoy preferential treatment in trade by eliminating tariffs and other barriers on goods and services. Nigeria offered Chinese investors incentives such as full repatriation of capital, no expatriate quota and profits in addition to other generous incentives (Ogunkola et al, 2009 p.13).

In the last few decades, Nigeria's relation with China blossomed due to series of economic reforms in relation to bilateral ties. The agreements were on trade, economic and technical cooperation, scientific and technology cooperation and investment protection. This relationship between Nigeria and China is governed by agreements, protocols and treaties spanning a spectrum of political, trade, investment, aid, technical, scientific, cultural, education, health and military areas (Uba, 2009 and Djire-Wake, 2009). The first Bilateral Trade Agreement with People's Republic of China and Federal Republic of Nigeria was signed in 1972. It was an agreement on economic, scientific and technical cooperation. More than two decades later, there were several agreements on Trade, Investment

Promotion and Protection.

In May, 1999 Olusegun Obasanjo became the president of Nigeria and he brought to a new life the relationships with the People's Republic of China (PRC) and Federal Republic of Nigeria (FGN) where he left it in 1979. He visited China twice in 2001 and 2005 with his Chinese counterpart Hu Jintao reciprocating both visits (Uba, 2009) (See appendix 1)

In June, 2001, the two countries officially signed a bilateral trade agreement with several MFN provisions creating favorable legal frame for business enterprises of both countries. The Agreements were basically on Trade, Investment Promotion and Protection. Supporting agreements on sincere friendship, mutual trust, mutual economic benefit and common development, and enhanced consultation and mutual support were also signed (Uba , 2009) (Ogunkola et al, 2008).

In April and July, 2002, the following agreements were signed:

- Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income;
- Agreement on Consular Affairs;
- Agreement on Cooperation on Strengthening Management of Narcotic Drugs, Psychotropic Substances and Diversion of Precursor Chemical;
- Agreement on Tourism Cooperation.

Also, both nations agreed to establish a strategic partnership featuring mutual political trust, mutual economic benefit and mutual support in international affairs in 2005. Further agreements on sincerity of friendship, mutual trust, mutual economic benefit and common development, and enhanced consultation and mutual support were also signed. (See Appendix II)

These agreements between China and Nigeria were made to increase the volume of trade between the two countries in accordance with their respective domestic laws and subject to obligations under international treaties, conventions or agreements to which they are party and to achieve a balance of trade between themselves, taking into account payments for invisible trade.

The issue of importation and exportation of goods and services were major in the agreement and indication from both parties to operate at world market prices in accordance with their laws and regulations of international trade practices. Also, neither of the parties shall be responsible for liabilities of natural and juristic persons arising from such commercial transactions. In the agreement, the two countries granted themselves the most favoured nation's treatment (MFN) in all matters relating to custom duties and foreign trade formalities in connection with importation and/or exportation of products.

Moreover, there were certain exemptions in the agreement. It shall not apply to neighboring countries in order to facilitate frontier traffic. Countries who are members of customs union or a free trade zone that either of the Contracting Parties has joined or may join as a result of participation in multilateral arrangement aiming at economic integration and developing countries were preferentially treated in accordance with international agreements.

In addition, there were rules to facilitate commercial transactions. These rules applied to origin of goods and commodities to be exchanged and information which could contribute to the expansion of trade and commercial activities between the two countries Other are participation in each other's international trade fairs and exhibitions; mode of payment; the standard and quality of goods to be imported to each country.

Also, other measures to safeguard the agreement were introduced. The first measure was identification of competent authorities that will be responsible

for the implementation of the agreement and other matters relating to it. The last one is the establishment of a joint trade committee for the effective implementation of these agreements. This led to the establishment of China Investment Development and Trade Center (CIDTPC) by Chinese government in Lagos and Nigeria Trade Office (NTO) by Nigerian government in Shanghai. Others are general provisions on the settlement of disputes, amendment to or revision of this agreement, duration or termination of the agreement.

These agreements have grown out of the desire of the two contracting parties. It is to facilitate and develop trade relations on the basis of equality and mutual benefit. Nigeria and China believe and are also convinced that cooperation in trade is essential to achieve maximum development in their respective countries. The availability of these bilateral trade agreements between the two countries provides an opportunity to any prospective investor to adopt as a market access tool taking into consideration the importance of the stakeholders such as Government and Semi-Governments and firms. Although, Ogunkola (2009) sees the implementation of these agreements to be lopsided as China seems to be on the fast-track while Nigeria appears to be lagging behind, but still benefiting in many ways.

2.1. THE DEVELOPMENT OF CHINESE FIRMS' INVESTMENTS IN NIGERIA

Business environment in Nigeria has significantly improved due to the reform regime implemented by Olusegun Obasanjo from 1999 to 2007. Compact and comprehensive reforms programme were introduced to tackle three gray areas. They are Macroeconomic reform, Structural reforms, and Institutional and Government reforms programme (Okonjo-Iweala & Osafo-Kwaako, 2007).

Macroeconomic reform objective was to stabilize the Nigerian economy, to improve budgetary planning and execution, and to provide a platform for sustained economic diversification and non-oil sector growth. The institutional and government reforms were introduced to adequately address the contagious problem of corruption and poor governance which has been justifiably associated with the country (Okonjo-Iweala & Osafo-Kwaako, 2007). These measures helped to shape the business climate in Nigeria and the in term of achievement, it may be modest, but, it is very visible and the positive effects are felt in every sector most especially in improving the domestic business environment for foreign investors.

The development of Chinese firms' investments in Nigeria since the adoption of BTA is at fast pace compared to other investors from other countries. The agreements have done so much to increase foreign direct investments in the country and invariably assisted to solve some perennial industrial problems brought about by increase in global demand for Chinese products, a sort of derived demand for material inputs to meet up with these challenges.

Two distinctive characteristics are obviously clear with this development. The benefits of the agreement to each country are quite different in nature. They are discussed below.

2.2 BENEFITS OF BTAS TO CHINA AND NIGERIA

The pace of Chinese investments in Nigeria is quite high compare to other African states. The bilateral framework has paved way for Chinese governments

including provincial and municipal administrations to orchestrate investment in Nigeria. BTA has assisted to increase the volume of trade from 1.1 to \$3.1 billion between 2002 and 2005 and now at 10 billion U.S dollars annually. Besides extraction and importation of material inputs for their growing manufacturing sector, Chinese investors enjoyed massive access into Nigeria markets through winning huge government contracts; a shift from normal norms enjoyed by Western multinationals. These are outlined below occurring under four important sectors which are vital to economic development of Nigeria.

2.2.1 Transportation Sector:

- Construction of rail road line between Lagos to Kano which would employ 3,000 Chinese in 2008 and 8,000 Chinese in 2009 at the cost US\$8.3 billion.
- N8.4 billion Light Rail project in Lagos State by China Civil Engineering Construction Corporation.
- 5000 Housing Units in Abuja Games Village by CCECC in 2002.

2.2.2 Communication Sector:

- Development and Launching of Nigeria Satellite into orbit in May 14, 2007.
- National local Telephone Project by ZTE Nig. Ltd.

2.2.3 Power Sector:

- Three Gas Turbines Project in 2002.
- China's CMEC and Sepco got the contract to build Three 335-MW gas-fired plants at \$1.1 bn, in November 2002.
- Construction of 2,600-megawatt hydroelectric power plant on Mambilla Plateau.

2.2.4 Energy Sector:

- NNPC and China State Construction Engineering Corporation (CSCEC) signed a \$23 billion deal.
- Maintenance and turnaround of Kaduna Refinery.

Apart from Federal Governments' projects handled by Chinese firms, some state and local governments had different agreements with Chinese Provincial and Municipal Governments. Lagos state of Nigeria and Jiangsu Province jointly promote Lekki Free Trade Zone (LFTZ) in Nigeria. Ogun State signed a US\$50 million deal with Sichuan Province to build a pharmaceutical manufacturing plant in the state (Alden, 2007). In the same manner, several states closed agreement with some provinces in China to set up industries in Nigeria as well as some multinationals firms launched large cooperative ventures.

The evidence stresses that BTA has helped Chinese to achieve its investment initiatives in Nigeria. There are many Chinese firms and multinationals in Nigeria such as Wempco Groups, China Civil Engineering Construction Corporation (CCECC), ZTE Company, Alcatel-Shanghai-Bell, China Putia, Sepco, Chinese National Offshore Oil Corporation and Huawei, to mention only a few. It was recorded that China has set up over 30 solely owned companies or joint ventures in Nigeria actively involved in the construction, oil and gas, technology, services and education sectors reaching a record between 80 to 100 companies.

On the other hand, there are hardly any Nigerian firms in China or any Nigerian governmental projects in China. Emel Groups of companies would have been worthy of mentioning but its activities in China are supporting overseas trade partners such as Normah HK Ltd., Shonghai Light Industry Co. Ltd., Longkong Foshan Nanhai, Lainuo Furnitures Companies Ltd., or Leting Yanna Farming Tools Factory. The majority of Nigerian businesses activities in China are based

on exportation of Chinese manufactures to Nigeria and other African markets.

On a large scale, Nigeria is enjoying the general benefit of BTA with China, It has offered Nigeria incentives to facilitate trade with other countries such as India, Russia, Brazil (4 BRIC Countries), economic aid and loans for development projects and influx of Nigerians in China. Also, Nigeria has been acclaimed for becoming the top Chinese trade partner in 2011 in Sub Saharan African countries competing for the leading position with Angola.

3.1 CHALLENGES AND OPPORTUNITIES FOR CHINESE FIRMS IN NIGERIA

There are hundreds of opportunities that usher in through the affiliation of bilateral trade agreements for both countries. Although there are still challenges to be met for maximum benefits of these opportunities such as militia insurgency in the Oil-Producing Niger Delta Region of Nigeria, slow pace of electoral reform in Nigeria, infrastructural investment, corruption, erratic electricity supply and bureaucratic confusion at the government levels.

There are quite several drivers of opportunities to the challenges mentioned above. The international interest in the Nigerian energy sector explains the recent traffic of high state visits that entail high level of partnership and cooperation through Presidents, Prime Ministers and Secretaries. Other drivers are transparency in the banking sector as Nigerian banks are ranked from 5th position to 14th in Africa in terms of shareholders' funds.

The growing trade with China is a major ingredient challenge in the framework of several reforms: 2010 amnesty extended to militant groups in Niger Delta region of the country; payment of external debt; peaceful transfer of power democratically from a civilian president to another; skillful middle class; high literacy level which is up to 70%; and new attention on upgrading of infrastructural development among other trends.

3.1 CONCLUSION AND RECOMMENDATIONS

This is one of the first attempts to look at the influence of bilateral trade agreements as a government tool for attracting foreign direct investment (FDI). The overview of bilateral trade agreements reveals several BTAs signed between Nigeria and China. The relationship has evolved through many stages with involvement of many actors. The period when BTAs was adopted by both countries usher in the development and growth of Chinese firms investments in Nigeria. The findings show that the challenges for investment in Nigeria are not direct deterrent to growth and development of Chinese investments. The BTAs insulate the Chinese firms to thrive in an environment where domestic and other international investors were unable to cope.

At this junction, we recommend that new directions for future bilateral trade agreements will bring in new directions to attract investors in all sectors of businesses. It should also serve as an ideal platform for investment in infrastructures and complete shift from trade to investment in agro-allied sector which is another viable and fertile area of Nigeria economy.

In addition, government policies should address long term needs of both countries most especially in human capital development to ease skill transfer, shift from importation of substandard goods and materials to quality products,

including the recognition of Nigerian and Chinese researchers and research institutions, cooperation between investors and research institutions for propagation of genuine economic activities and improved business environment.

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APPENDIX 1

Selected Chinese high level visits to Nigeria

S/N	Name	Year
1	Chinese Minister of Foreign Trade and Economic Cooperation Fang Yi	1972
1	Vice Premier Geng Biao	October, 1978
2	Vice Premier Huang Hua	November, 1981
3	Vice Premier Tian Jiyun	November, 1984
4	Vice Premier Wu Xueqian	March, 1990
5	Vice Premier Qian Qichen and Foreign Minister	January, 1995
6	State Councilor and Secretary General of State Council Luo Gan	September, 1997
7	Premier Li Peng	May, 1997
8	Special Envoy of President Jiang Zeming, State Councilor Ismail Amat	May, 1999
9	Foreign Minister Tang Jiaxuan	January, 2000
10	President Jiang Zemin	April, 2002
11	Vice Chairman of Standing Committee of National Peoples Congress Han Qide	December, 2003
12	President Hu Jintao	April, 2006
13	Chinese Foreign Minister, Mt Yang Jiechi	January, 2010
14	CPC Central Committee and Chairman of CPPCC Mr Jia Qinglin	September, 2010

Sources: Ogunkola et al. 2009, MOFCOM

APPENDIX 2

Selected bilateral Trade Agreements between China and Nigeria

First bilateral Trade Agreement on Economic, Scientific, and Technical Cooperation	1972
Nigeria Railway Project agreement between China Civil Engineering Construction Corporation (CCECC)	1996
Agreement on Trade, Economy and Technology cooperation	1996
Ajaokuta and Delta Steel projects Agreement	1997
Agreement on Mutual Protection and Encouragement for Investments	1997
Agreement on Trade between the Government of the People's Republic of China and the Government of the Federal Republic of Nigeria	2001
Agreement on Investment Promotion and Protection	2001
Agreement on Avoidance of Double Taxation	2002
Agreement on Consular Affairs	2002
Agreement on Tourist cooperation	2002
Cooperation n strengthening management of narcotic Drugs, Psychotropic substances and diversion of precursor Chemical	2002
Agreement on Economy and Technology cooperation	2003
Strategic Partnership Agreement featuring mutual political trust, mutual economic benefit and mutual support in international affairs	2005
A memorandum of understanding on investment cooperation between the Federal Ministry of Commerce of Nigeria and Ministry of Commerce of China	2006
Agreement on Cultural and Educational Exchanges and Cooperation	February, 2008

Source: Author compilation/CCECC-BEYOND International Investment Development Co., Ltd (www.cceccbeyond.com/en_environment2.asp)

CHINA'S ROLE IN THE REGIONAL INTEGRATION OF AFRICA

INTRODUCING COMPLEXITY THEORY AND DISCOURSE ANALYSIS INTO THE STUDY OF CHINA'S ROLE IN THE REGIONAL INTEGRATION OF AFRICA

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ABSTRACT

It is a popular argument that Africa needs to integrate its economies to create larger and more competitive regional economic blocs and to consume its global market share. However, will further regional integration in Africa indeed lead to the intended goals? And what is the impact of China's involvement in Africa on the regional integration process? The argument in this paper is that the discourse on regional integration in Africa is influenced by Western concepts and ideologies and that these Western concepts and ideologies dominate the discussion on China's role in supporting regional integration in Africa. The main question to be answered in this paper is:

What is China's impact on the regional integration process in Africa and how can this impact best be studied?

In order to answer this question, it is split up into the following sub-questions: What is regarded as successful regional integration of Africa? What is the critique from African scholars and activists towards the popular idea about regional integration? How does a western dominated discourse on regional integration influence the idea about China's impact on regional integration in Africa? Would regional integration be beneficial for Africa at all? What kind of regional integration do these African scholars and activists want for Africa? How can China's role in the integration process in Africa be studied in a less Eurocentric and a more academic way?

In short, the answer to the main question is that regional integration is a complex process, influenced by changing relationships between actors, messages and contextual factors. In order to make sense of this complexity, methodologies from both Complexity Theory and Discourse Analysis are introduced into this field of research. This approach will reduce the influence of dominant discourses

from the West since relations will be studied separately. Since behaviour and beliefs are subject of change, the ideas about and actions towards regional integration in Africa from the different Chinese actors are not fixed and will change over time. Therefore, the answer to the question about China's role in supporting regional integration in Africa is context and time specific. The aim of using methodologies from Complexity Theory and Discourse Analysis is to show that the role of China in regional integration in Africa is analysed within a certain discourse and to make the influence of this discourse explicit.

INTRODUCTION

It is a popular argument that Africa needs to integrate its economies to create larger and more competitive regional economic blocs and to consume its global market share. However, will further regional integration in Africa indeed lead to the intended goals? And how could China play a constructive role in this regional organisation process? The argument in this paper is that the discourse on regional integration in Africa is influenced by Western concepts and ideologies and that these Western concepts and ideologies dominate the discussion on China's role in supporting regional integration in Africa. The rapid development of its relations with Africa is provoking intense debates on China's role in the development of Africa in Western countries and attempts to draw China into aid governance mechanisms such as the OECD DAC. Often, China is being blamed for limiting the regional integration of Africa reasoning that most of the deals between China and Africa are bilateral agreements with individual African countries. According to supporters of this argument, China prefers bilateral agreements over agreements with regional organisations in Africa, since the individual African countries are weak on their own and, therefore, the negotiation position of China is stronger in bilateral negotiations than when African countries are united in regional organisations. Others argue that these bilateral agreements have only been favoured as a result of a lack of coordination and united voice from Africa (CCS & DBSA 2008). The latter group foresees a constructive role for China in supporting the regional integration process in Africa by investing in infrastructural development. Investment in infrastructure projects is often mentioned as one of the key factors for promoting regional integration. The European Union (EU), United Nations (UN) and the African Union (AU), for example, are supporting investments in infrastructure and regional institutions in order to promote the regional integration of Africa. Both arguments are highly influenced by Western concepts and ideologies and this will become more clear when analysing the Western connotation of the concept 'regional organisation' in section one. Throughout this paper, the following questions will be answered: What is regarded as successful regional integration of Africa? What is the critique from African scholars and activists towards the popular idea about regional integration? How does a western dominated discourse on regional integration influence the idea about China's impact on regional integration in Africa? Would regional integration be beneficial for Africa at all? What kind of regional integration do these African scholars and activists want for Africa? How can China's role in the integration process in Africa be studied in a less eurocentric and a more academic way? All leading to the main question to be answered in this paper, namely:

What is China's impact on the regional integration process in Africa and how can this impact best be studied?

In order to get a better understanding of the regional integration process(es) in Africa and the impact of China's involvement in Africa on regional integration in Africa, it is important to: recognise the influence of the West in the current debate on how best to support regional integration and its potential benefits for Africa, to thereby redefine regional integration in the African context, map the actors and factors that play a role in regional integration in Africa and study their relations. A better understanding of what regional integration in Africa encompasses, and what the aims of promoting regional integration in Africa are, will help to analyse if and how Chinese actors in Africa are supportive towards the regional integration of Africa.

It is argued in this paper that regional integration is a process that is dependent on other systems and in which many actors and factors can influence the direction. Therefore, it is stated that it is important to focus on the relations between these actors and factors and the way these other actors and factors and their relations influence the regional integration process. It is further argued that Complexity Theory can offer helpful tools for studying these complex relations. In section two, a model is discussed, which is developed by Geyers (2003) in an attempt to make sense out of complex processes without losing relevant information. It will be argued that regional integration is highly dependent on its context, that it is an ever changing process and, therefore, a clear example of a complex process.

The last and third section will provide a closer look at the ability of human actors to adapt and evolve and thereby to influence the system in an important and unpredictable matter. It thereby introduces a theory from communication theory in order to reduce part of the unpredictability. This paper starts with analysing the discourses in the debate on regional integration in Africa. It aims to reveal the influence of Western concepts and ideologies in this debate and to show the critique from African scholars and activists towards the main model used for regional integration. Together with the argument of Gibb (2009) that the European model for regional integration will not work for Africa, the comments and critiques are used to point out the urge for an African discussion on the definition, and thereby African aims, of regional integration.

The aim of this paper is to show that regional integration is context specific and that concepts and experiences cannot simply be transferred from Europe to Africa. Finally, this paper aims to promote discussion in Africa on the use of popular concepts and the creation of African definitions of these concepts and to promote research on regional integration in Africa using methodologies of Complexity Theory. It is expected that the outcome of these discussions will influence the idea about, and deepen our understanding of, the role of China in the regional integration process in Africa.

1. THE REGIONAL INTEGRATION DISCOURSE

Policies of regional integration are shaped by ideas about the meaning and role of regions. In this first section, the concepts 'region' and 'regional integration' will be further explored. It will be argued that regions are social constructs and that regional integration is subjective and context specific. Every regional integration process has got its own dynamics and should therefore be studied as a separate entity. The integration process of the European Union can therefore not be used as a blue print for other regions. The current debate on the benefits of regional integration for Africa and the way it should be realised

is however full of references to European experiences. The main argument in this section is that the discussion on regional organisation in Africa and the role China could play in it, can be clarified by using discourse analysis detecting the dominant discourse and the antagonisms (contrasts that can be found when discourses collide (Philips & Jørgensen 2002:48)) that exist. Herewith, we find that although Western donors, African government officials and African scholars and activists all use the same concept, their ideas about regional integration and how to achieve it, are very different. These diffuse meanings of what regional integration implies originate in the concept of region itself.

The act of supporting 'regional integration' refers to the existence of a region. However, what is a region and how do regions come into existence? Regions are formed according to perceived commonalities that distinguish a particular area from its surroundings. These commonalities can be relative fixed factors, as for example: being enclosed by a chain of mountains or being sea-locked. However, they can be more flexible as well, as for example a language spoken in a certain area or a shared ideology (i.e. religion/politics). These examples of more flexible characteristics of a region illustrate that the formation and existence of regions is subjective and that boundaries of regions are not fixed.

For example, the ongoing expansion of the EU fuels the discussion about the ultimate boundaries of the European Union. This discussion is very interesting and shows the difficulty of defining a region. During a debate in "De Rode Hoed" in Amsterdam, the former leader of the People's Party for Freedom and Democracy in the Netherlands, Hans Dijkstal, plead for an unlimited expansion of the European Union. According to him it was not about geographical location, but about an ideology. Every country that shares the ideologies characteristic of the EU and is willing to act according the same rules, should be able to become a member. "If it is either Turkey, Russia or Brazil" (Dijkstal 2007). According to Dijkstal (2007), the more members the better, because this would contribute to peace in the world, since EU member states have not fought each other since the start of the European Union. However, another old member of the same Liberal political party in the Netherlands, Frits Bolkestein, started laughing and argued that we should take the feasibility into consideration:

In order to form a strong region you need to give and take and the Netherlands is giving a lot at the moment. The Dutch citizens are willing to do this for the countries they feel closely connected to, however, already with the expansion of the boundaries we can see that the attitude of the Dutch citizen is changing. People start to realise the amount of money they pay for the integration of Europe and they start questioning the necessity of it. How can we expect the Dutch citizens to support the integration of countries on a whole other continent? (Bolkestein 2007, original quote in English).

This discussion shows that regions can be flexible entities and that the boundaries are depending on the dominant ideas about that region at a specific time: is it about geography, capacity, ideology, peace or trade? Whether or not one regards a certain area as belonging to a particular region depends mainly on whether one focuses on the differences or the commonalities between that particular area and the rest of the region. In other words, a region, and therefore regional integration, is subjective and depending on someone's perspective. Discourses are playing an important role in creating regions and their boundaries by attaching meaning to these concepts. For example, representatives of a secessionist region will try to convince the international community that it is historically very different from the country it is forced to belong to and will emphasise the differences. On the other hand, the government of the country

that encapsulates this region will argue that the region has always been part of their country and will emphasise the commonalities.

A region can also be imposed from outside, as the example of Africa shows. The idea of the division of the continents started with ancient Greek mariners who gave the names Europe and Asia to the lands on either side of an interior water passage (Toynbee in Lewis & Wigen 1997:21). Later on, Libya was added to form a three-continent scheme. This division was reflected in the famous 'T-O' maps of the medieval period. The cross symbol (represented as a T within the circle of the world) indicated the bodies of water that supposedly divided Europe, Asia and Africa. The Nile represented in most cases the dividing line between Asia and Africa. We now know that the waters the Greek mariners saw as separating the masses of land from each other are not actually dividing these masses of land, however we still more or less use this division to distinguish people, countries and cultures. Lewis & Wigen (1997) explain how this continental scheme became endowed with "an unprecedented scientific authority" and how "it became the authoritative frame of reference for sorting out the differences among various human societies" (1997:24). In other words, Greek geography has been, to a certain extent, globalised and what were originally Western categories -such notions as Europe, Asia and Africa- are now employed throughout the world (Lewis & Wigen 1997:16). Lewis & Wigen (1997) further argue that "Africans become a distinct people, who can be usefully contrasted with Asians or Europeans, and we imagine Africa's problems unique to its landmass, as though tied to it by some geographical necessity" (1997:2). This particularisation of 'Africa's problems' is clearly visible in the 'greed versus greed argument' (Collier 2004), in which African conflicts are reduced to either the violent nature of Africans or the geographical misfortune to be in the possession of so many precious resources.

To conclude, the region 'Africa' as well as the idea of 'Africa-specific problems' are constructions highly influenced by ideas from European origin. A popular solution to the so-called African problems: the integration of Africa's economies in order to create larger and more competitive regional economic blocs and to assume its global market share. In the next paragraph will be explained that this solution is highly influenced by European concepts and ideology as well.

1.2 DISCOURSES ON REGIONAL INTEGRATION IN AFRICA

Ever since the independence of African states, regional integration has been widely regarded as vital for Africa. Some influencing multilateral organisations have connected development to regional integration. For example, last year's UNCTAD Economic Development in Africa report (2009) examined regional integration in Africa and its potential to improve national and regional economic performance and concluded that:

When designed and implemented within a broader development strategy to promote economic diversification, structural changes and technological development -regional integration could help enhance productive capacities of African economies, realise economies of scale, improve competitiveness and serve as a launching path for African economies' effective participation in the global economy (UNCTAD 2009:1)

Thereby, a 2004 report from the United Nations Economic Commission for Africa (UNECA) stated that a "rapidly changing global economic environment

demands that Africa moves swiftly, and strategically, to achieve regional integration" (UNECA 2004:X). According to the latter report, the benefits of integration are: sustainability, increased investment, the consolidation of economic and political reforms, increased global competitiveness, the promotion of regional public goods and the prevention of conflicts (UNECA 2004). Here, economic arguments are used to promote regional integration with the aim to develop Africa.

A contrasting view exists on regional integration in Africa as well and holds that it is currently not beneficial for Africa and that regional integration might not even be feasible at all. Gibb (2009) argues that the wider discourse on regionalism has a "developed country focus" (2009:701). This means that there is little focus on how regional integration could work for developing countries, instead, one tries to copy the success of the European Union. However, the economic aim for regional integration in Europe was not so much economic development as it was to combine complementary markets in order to become a stronger economic bloc. Gibb (2009) argues that if economic integration would take place in Africa at the moment, it would not make Africa a powerful bloc, since the combined economy of the continent is as big as Spain alone. Moreover, according to Gibb (2009), economic integration will not happen in the near future in Africa because of a lack of complementary markets. African economies consist mainly out of trading raw materials. Which are traded not so much with each other, because there are few African countries who need these raw materials because most African countries still have limited production capacity. The lack of production is a reason why there is no wide range of tradeable products, such as value-added products, in Africa. According to this view, regional integration is more or less imposed on Africa, since there is not yet a local demand for it.

African scholars and activists attending the International Conference of Governments and Social Movements - "Regional Integration: an opportunity to face the crises" between 21 and 22 July 2009 in Asunción, Paraguay share the opinion with Gibb (2009) that there is a lack of production capacity and diversified economies in Africa. However, they make another connection between regional integration and the lack of production capacity. According to Tetteh Hormeku (in Alternative-Regionalisms 2009) for example, regional integration is the means to create complementary markets. In other words, he turns the argument around and argues that regional integration will lead to complementary markets. He further argues that Africans "should work together across communities and countries to transform the world we live in today, the way we produce today, the way we consume today in Africa" (Hormeku 2009). According to Hormeku (2009) Africans should cooperate together and enhance their capacity together to produce the things that they need. Hormeku (2009) argues further that this needs to be done after regional consultation so that the individual countries will only specialise in what they do best. To summarise his argument, according to Hormeku (2009) regional integration will lead to the diversification of African markets because of a better coordination between the African countries. The general opinion amongst the African scholars and activists that attended this event seem to be encapsulated by the statement of Demba: "We are weak, and divided we are even weaker. We should come together on a regional and continental level" (Demba in Alternative-Regionalisms 2009).

These examples show that multinational organisations, scholars (from within and outside Africa) and activists all discuss the concepts regional integration in relation to economic development from very different perspectives. In order to

understand the debate, it is useful to apply the method of discourse analysis to discover and explore the different discourses on regional organisation in Africa. The starting point of Discourse Theory is that no discourse can be fully established, it is always in conflict with other discourses that define reality differently and set other guidelines for social interaction (Philips & Jørgensen 2002:47). Though, it might look like a certain discourse will not change and seem to be the 'right' way to look at it.

If we take a look at the discourses on regional integration, we can be convinced that regional integration will indeed lead to development in Africa, or that China is constraining the regional integration process in Africa because it prefers to deal bilaterally with African countries. However, it is important to acknowledge that these concepts (regional integration, development and bilateral agreements) are 'empty signs'. That is, they mean almost nothing by themselves until, through chains of equivalence, they are combined with other 'signs' that fill them with meaning (Philips & Jørgensen 2002:50). By referring to the importance of cross-boundary infrastructure for regional integration, for example, it is assumed that countries need to be connected in order to be part of the same region. However, when the emphasis is put on shared culture or ideology, regions can be much more dispersed. A good example of the last mentioned is the dichotomous divide between the 'rich North' and 'poor South' which is more based on a shared stage of development than geographical location and therefore the members of the North and South are not all connected. The next section will focus further on the complexity of regional integration and will provide tools to study this complex process.

2. THE COMPLEXITY OF REGIONAL INTEGRATION

As an 'empty sign', regional integration only makes sense in relation to other signs. Haas (1970) differentiates regional integration from related concepts like 'regional cooperation', 'regional organisations' and 'regional systems' in order to give meaning to the concept. According to Haas (1970), the study of regional integration is "unique and discrete from all previous systematic studies of political unification because it limits itself to noncoercive efforts" (1970:3-4). Haas (1970) explains that regional integration is different from federalism, national unification, nation and empire building since there is no need for force from the catalytic agent. The focus is on "the voluntary creation of larger political units each of which self-consciously eschews the use of force in the relations between the participating units and groups" (1970:4). Can we then use the term regional integration if we refer to the processes of increasing regional cooperation in Africa, which are largely initiated and stimulated from outside the continent? Lodwick Chizarura (in Alternative-Regionalisms 2009) refers to the current regional integration model as a "colonial one". However, as pointed out in the former section, there is a local demand for a certain kind of regional integration in Africa as well. There might be a lot of pressure on international players in Africa to promote regional integration in Africa and on African government officials to take steps to realise regional integration, however, this whole process in which many actors with as many different ideas about regional integration make their own decisions and interact in which regional integration may arise, can be regarded as a non-coercive effort. There is not a single catalytic actor overseeing and guiding the whole process. In order

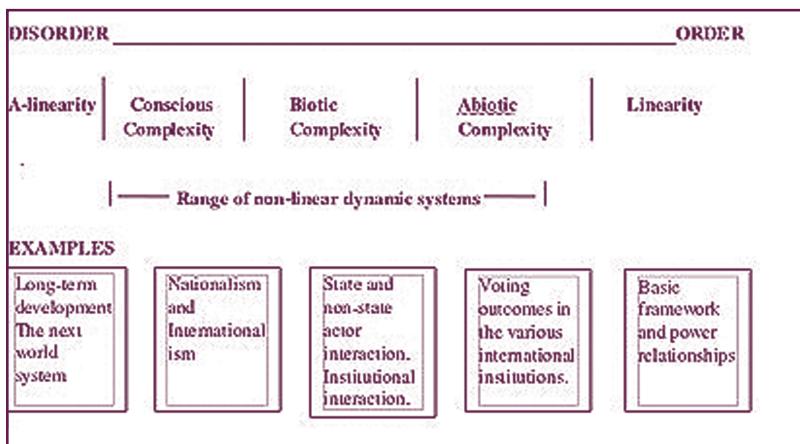
to study such a complex process as regional integration in which many actors are involved and many factors influence the process, it is useful to get a better understanding of the development of ideas around order and disorder in the history of science in the first place.

For a long time, the positivist epistemology and ontology dominated both natural and social sciences. The successes of the industrial revolution in the 18th and 19th centuries created a high degree of confidence in the power of human reason to tackle any physical situation. Pierre Simon de Laplace, for example, a late 18th century French scientist and author of Celestial Mechanics said: "if at one time, we knew the positions and motion of all the particles in the universe, then we could calculate their behaviour at any other time, in the past or future" (in Geyer 2003:2). The dominant idea was that over time, as human knowledge increases, phenomena that appear to be chaotic and disorderly will become orderly. In other words: knowledge equals order. Furthermore it was suggested that with greater knowledge humans can increasingly predict and control more and more phenomena. This implies a focus on causal relations.

Causation is studied in the positivist tradition by calculating the amount of change that independent variables induce in the dependent variable, *ceteris paribus* (see for example Hoffmann & Riley 2002). However, by leaving out a lot of the complexity, these models are no longer accurate. This becomes especially clear in models made to predict the weather conditions: small changes in parts of the weather system in one place, can have huge effects in other places in the world (butterfly effect). It can therefore be risky to make predictions while leaving out a lot of the data.

The discoveries in for example the weather models that cause does not automatically lead to effect, that order is not certain and that complexity is an integral part of physical phenomena, created room for a new theory: Complexity Theory. Complexity Theory does not reduce and isolate phenomena but sees them as part of larger systems (Geyer 2003). Complexity theorists argue that order, complexity and disorder all play a role in the creation of the natural and human world. Geyer (2003) developed a model in which he shows that orderly, complex and disorderly phenomena exist at the same time which he applied also to IR Theory. He divides phenomena into five different stages of order, namely: linearity, a-biotic complexity, biotic complexity, conscious complexity and a-linearity. Different epistemological and methodological strategies apply to each stage, according to him.

Figure 1 The Range of International Phenomena



This model can be used to rate all phenomena from order to complex to disorder. In the example above, Geyer (2003) applied the model to classify phenomena in the international arena. According to Geyer (2003), the key point to recognise is that there are both orderly and disorderly dynamics and that they are not hierarchically organised. "A given outcome, or decision could be based on orderly, complex and disorderly dynamics with all being equally essential to the final outcome" (Geyer 2003:17). Geyer (2003) classifies systems as either linear, a-biotic complex, biotic complex, conscious complex or a-linear.

Orderly linear systems, according to Geyer (2003) are found at or near equilibrium. He gives the example of a ball bearing inside a bowl as a classic example; it quickly settles at the bottom and that is that. These orderly linear systems can be very complicated as well, although they are not complex since "they do not have to exchange (dissipate) energy, or matter, with other systems in order to acquire and maintain self-organised stable patterns" (Geyer 2003:7). In other words, a system is a complex system when it is depending on the exchange with other systems for its survival/ maintenance. Geyer (2003) distinguishes three different levels of complexity, namely: a-biotic, biotic and conscious.

A-biotic complex systems obey to fundamental physical laws, but not in the same way as orderly linear systems. Geyer (2003) points out that the second law of thermodynamics, the most fundamental law of nature according to him, states that when a system is left alone it drifts steadily into disorder. This shows its dependency on other systems for its survival. A good example is a house that is been left empty, eventually it turns into a pile of rubble. Geyer (2003) explains: "ultimately, a system cut off from the outside world will fall into a deathly state of equilibrium in which change does not occur" (2003:7). In a way positivists are right, because if they take a system apart to study it, it will look more orderly and is therefore easier to understand. However, in this way, they will only get to know about the system itself and not how it operates in connection to other systems. In order to get a better understanding of the working of a system, other perspectives with a different ontology and epistemology are therefore necessary.

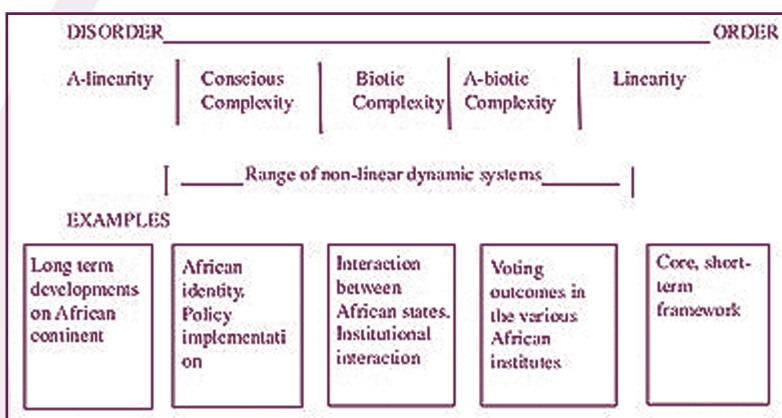
The second level of complexity according to Geyer (2003) are 'biotic complex systems.' The ability of biotic complex systems to adapt and evolve creates a whole new range of complex outcomes and therefore another level of complexity. Geyer (2003) argues that biological complex system are able to develop new emergent properties that may reshape the complex system as a whole and/or the sub-units that make up the system.

The third and last level of complexity is called 'conscious complex systems'. Human decisions and actions are key in these systems. The ability to be self-aware, to understand aspects of the world around them, be aware of their history and to evolve interpretations of themselves, their surroundings and their history make human beings fundamentally different from all other life forms and physical phenomena. However, this interpretation ability does not automatically produce orderly interpretations. Geyer (2003) argues that "the uniqueness of individual human experience combined with multitudinous possibilities of collective human interaction and the evolutionary nature of human society produce a very high degree of complex interpretive outcomes (2003:14). Therefore, conscious interpretive outcomes (norms, values, historical interpretation) are positioned on the more disorderly side of our complexity scale.

Geyer (2003) uses this model to interpreted the European Union as a complex

system. The regional integration process in Africa can be interpreted in a similar way using Geyer's model

Figure 2 The Range of Regional Integration in Africa Phenomena



Since the African regional integration process is composed of different phenomena, one must accept methodological pluralism; quantitative modeling, qualitative analysis, historical description and narrative discourse all have their place with regard to particular phenomena. The same counts for the analysis of China's impact on the regional integration process in Africa. The role of China in supporting the regional integration process in Africa can be studied from short term strategies of China towards Africa with a logical causal relation, via biotic complexity regarding human actions until the long term developments in Sino-Africa relations. All phenomena should be studied in order to get a more complete picture of China's impact on supporting the regional integration process in Africa.

In the next and last section the focus will be on the biotic complexity of the regional integration process in Africa and China's role in it. This section will provide a way to look at the ability of human actors to adapt and evolve and thereby to influence the system in an important and unpredictable matter. It thereby introduces a theory from communication theory in order to reduce part of the unpredictability.

3. MAPPING REGIONAL INTEGRATION IN AFRICA AND CHINA'S ROLE

In the first section it was explained how the concept regional integration has been used by different actors (donors from the West, multinational organisations, African regional institutions and African academics and activists) without providing a definition. This can easily lead, and has led, to miscommunication. Furthermore, when it is not recognised that the concept regional organisation as used by these organisations and institutions mentioned, is influenced by Western ideology, the risk exists to implement a foreign strategy that does not suit the local context. The subjectivity of regional integration was demonstrated: the process of regional integration is context and time specific. Therefore, in order to get a better understanding of the regional integration process in Africa

and the role China could play in it, regional integration must be studied in its specific context. As shown in the second section, complexity theory offers tools to study a complex process as regional integration. It explained Geyer's (2003) model on how orderly, complex and disorderly systems work at the same time and all play a role in the final outcome.

In this last section, an attempt will be made to show what this in practice can mean for the study of the regional integration process in Africa and in this case, the impact China's involvement on the regional integration process in Africa. As explained in section two, processes are complex when a variety of systems interact and influence each other. First, it is important to map the main actors, contextual factors, and systems that are involved in regional integration in Africa. It is thereby important to note that China is not one actor¹ and distinction should be made between different Chinese actors in Africa.

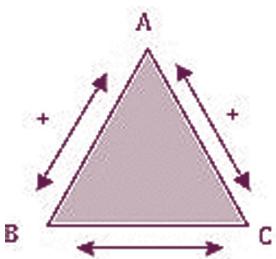
Some of the main actors involved in the regional integration process in Africa are: Chinese government officials, Chinese academics, Chinese companies, WTO, IMF, AU, the regional organisations, UN, EU, foreign investors, African government officials, African academics, African activists, African citizens, etcetera. Examples of contextual factors in the regional integration process of Africa are: conflicts, development, infrastructure, Foreign Direct Investment (FDI), artificial boundaries, resources, etcetera. Examples of other systems that influence the complex system of regional integration in Africa are: regional markets, global market, globalisation, world order, financial system, etcetera. All these different actors, contextual factors and other systems involved in the regional integration process can be presented as a web with linkages between them. These linkages are the subject of our research and we need to investigate them in order to understand the process of regional integration in Africa.

Political systems are predominately comprised of human decisions and actions and are therefore biotic or conscious of character. One of the characteristics Geyer (2003) pointed out about biotic and conscious complex systems is that they are respectively adaptive and reflexive. This is an important observation, since it explains why regional integration processes are so variable and complex. These characteristics make systems which involve human action more complex. Although, human decisions seem to follow certain rules as well.

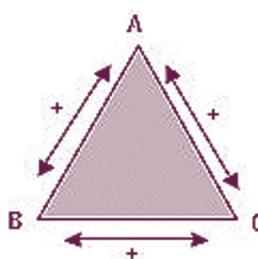
One of these rules discovered in social psychology is 'cognitive dissonance'. According to this theory, people have a motivational drive to reduce dissonance by changing their attitudes, beliefs and behaviour or by justifying or rationalising them (Festinger 1957). For example, if person A and B are good friends and person A is also friends with person C, while person B dislikes person C very much, there exist dissonance. Dissonance creates an annoying feeling and therefore, depending on the level of annoyance, people tend to solve it. It is very likely that as soon as the actors involved find out about this dissonance, a chaotic period starts in which the actors adjust their attitudes and behaviour towards each other and a new equilibrium is achieved. In this example, either person B changes his mind and starts to like person C or the relation between person A and B finishes. Again, how rigorous the decision/ action (it is not always a conscious decision) depends on the level of annoyance of the dissonance. At least, dissonance is a drive for action. Something needs to be done, a step need to be taken, in order to do something about the annoying feeling.

¹ See for a more detailed explanation the article written by Ian Taylor and Xiau, Y., 2009. A Case of Mistaken Identity: "China Inc." and its "Imperialism" in Sub-Saharan Africa, *Asian Politics and Policy*, 1(4), pp. 709-725.

In dissonance:



In equilibrium:



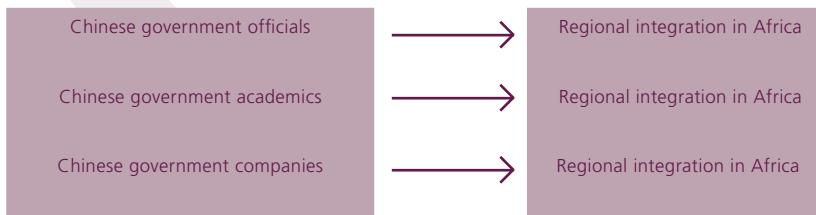
In communication theory, cognitive dissonance theory can be used to explain how positive attitudes about the message are transmitted. The idea is that if the messenger is positive about the message and he has a positive relation with the receiver, the receiver will most likely also get a positive attitude about the message. However, if the messenger is positive about the message, but his relation with the receiver is negative, then it is more likely that the receiver will think negatively about the message. The triangular relationship is in equilibrium when either all relations are positive or negative or when two relations are negative and one is positive. In this situation the mathematical rule counts that: minus times minus results in a plus. Attitudes can also be neutral: + -. A triangular relationship is equilibrium if all relations are neutral or if one relation is neutral and the others are either both positive or both negative.

The argument in this section is that political situations can be studied in the same way, since there are many biotic and conscious systems involved which means that there are human beings involved who can adapt their attitudes and beliefs. According to cognitive dissonance theory, they will do because dissonance is psychologically uncomfortable enough to motivate people to achieve consonance. Jervis (in Hoffmann & Riley 2002:316) argues that in politics, relations between two actors are often determined by each one's relations with other actors and that triangular relations are thereby prevalent. As explained before, regional integration processes are complex processes and therefore they exist out of many triangular relations between all actors involved and all factors that influence the process. Whether or not regional integration will be achieved in Africa is dependent on such triangular relations as well. In order to get a better understanding of the current dominant stance on regional integration in Africa or the attitude of China (or better: the current attitude of the Chinese actors involved in the process) towards regional organisation in Africa, it is necessary to study the relations between the actors and contextual factors involved in the process and the relations between these actors and factors and the regional integration in Africa.

4. CONCLUSION

The main question to be answered in this paper is: What is the impact of China in the regional integration process in Africa and how can this impact best be studied? In order to answer this question, it is necessary to first make a distinction between different Chinese actors, since their aims and strategies are too different to generalise them. Then, in order to determine whether their relationship towards regional interaction in Africa is positive or negative, their relationship

with the other actors, contextual factors and systems need to be studied. For example:



In order to get a better understanding of the ideas about and actions towards regional integration in Africa by different Chinese actors, it is useful to study their ideas about and actions towards the other actors, contextual factors and other systems involved in the system of regional integration in Africa. This approach will reduce the influence of dominant discourses from the West since relations will be studied separately. Since behaviour and beliefs are subject of change, the ideas about and actions towards regional integration in Africa from the different Chinese actors are not fixed and will change over time. Therefore, the answer to the question about China's role in supporting regional integration in Africa is context and time specific. The aim of using methodologies from Complexity Theory and Discourse Analysis is to show that the role of China in regional integration in Africa will always be analysed within a certain discourse and to make the influence of these discourses explicit. Understanding an unfavourable hegemonic discourse is the first step in the process of changing it.

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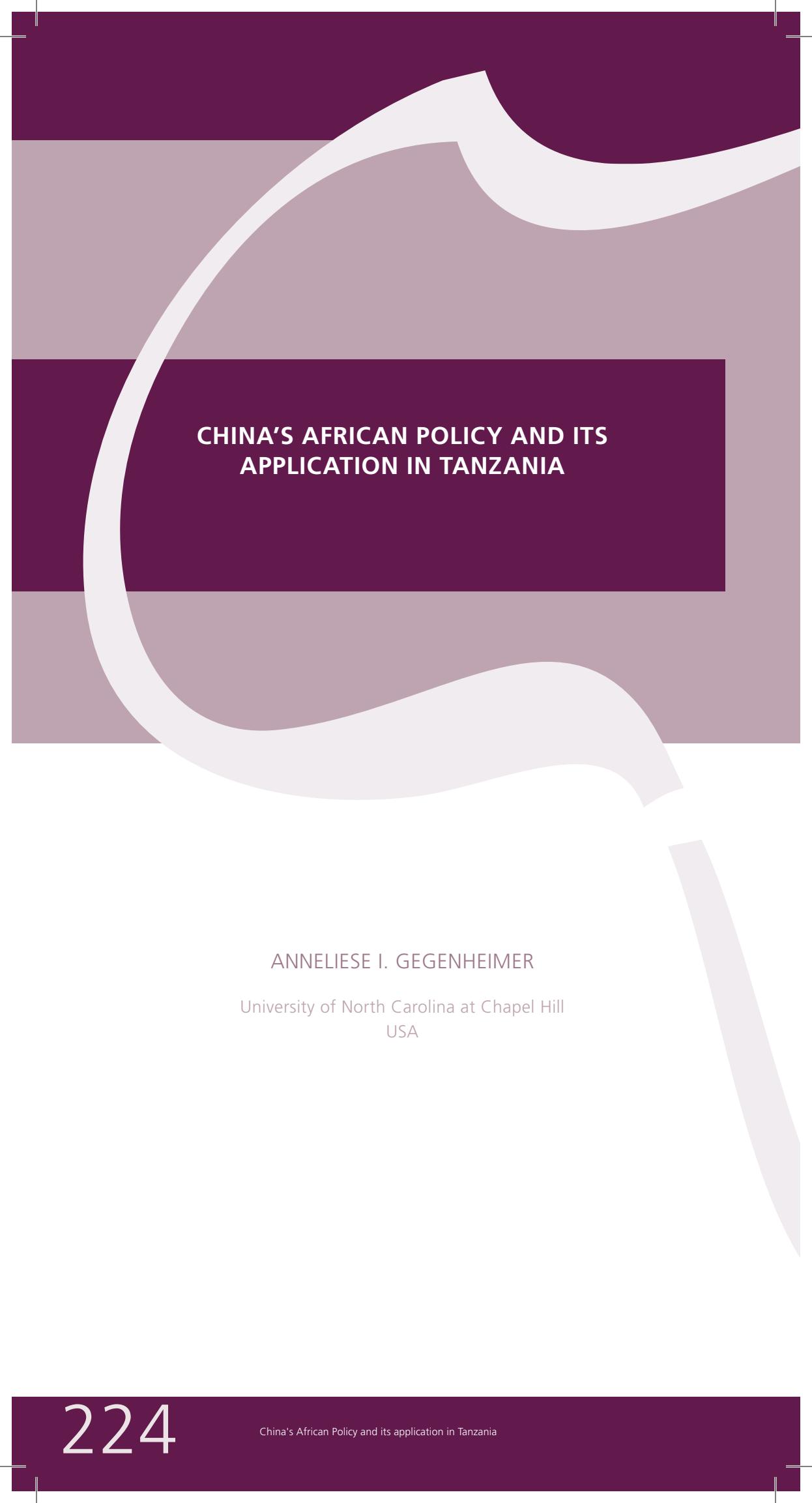
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CHINA'S AFRICAN POLICY AND ITS APPLICATION IN TANZANIA

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ABSTRACT

This paper analyzes the extent to which China's relationship with African countries reflects China's stated policy on Africa through a case study on Tanzania, personal anecdotes, and secondary research from published books and government resources. I use China's African Policy to examine current Chinese initiatives in Tanzania and then assess to what extent the Sino-Tanzanian relationship reflects China's African Policy. I conclude with a set of barriers to success and discuss ways that China and Tanzania could improve the existing Sino-Tanzanian relationship in regards to previously discussed topics, such as corruption, trade, manufacturing, etc., so that the relationship can become more collaborative and mutually beneficial in the future.

METHODOLOGY

My study of China's African Policy consists of mixed methods: secondary research, personal experience, and a case study on Tanzania. My analysis primarily uses secondary data available on the Sino-African and Sino-Tanzanian relationship. I specifically examine quantitative data regarding trade, aid, and investment and qualitative data about other factors, such as technology, education initiatives, and social interactions between Chinese and Tanzanians.

In addition to using secondary research, I conduct a case study on Tanzania, a country in Sub-Saharan Africa that established official ties with China in 1961 (Ogunsanwo, 1974, p. 74). In this paper, I examine key trends in the Sino-Tanzanian relationship and use the qualitative and quantitative data described above to analyze current Sino-Tanzanian interaction to determine the extent to which the Sino-Tanzanian relationship reflects China's African Policy.

Finally, I draw from personal experiences to inform my analysis. During my travels to Tanzania in 2009, I spoke with Chinese ex-patriots and Tanzanian citizens about Chinese business in Africa and Tanzania. In February 2010, I attended a roundtable discussion in Washington, D.C. associated with a book launch of Deborah Brautigam's recently published book on Sino-African relations, *The Dragon's Gift*. I use these experiences as personal anecdotes throughout my thesis to inform both the case study and secondary research.

INTRODUCTION

Over the past decade, scholars and experts have argued over the intentions of China's engagement with Africa, debating social, cultural, and economic impacts, and the implications of this relationship for the rest of the world. In addition, many experts use examples of research in various African countries to serve as support for broader arguments on the Sino-African relationship. For example, in a February debate on Economist.com, experts and non-experts alike weighed in on the question 'Is China Good for Africa?' However, while this timely debate yielded in-depth insights on China's role in Africa, it was unable to capture a complete view of the relationships that China has with individual African countries and instead created broad generalizations of the Sino-African relationship. Thus, while the current holistic method of analysis certainly improves understanding of overall trends in the Sino-African relationship, many arguments still do not fully characterize the complex nuances and combination of Chinese initiatives in a specific country.

In order to contribute in a constructive way to the evolving debate on Sino-African relations, this paper explores China's engagement with Tanzania to gain a better understanding of the Sino-Tanzanian relationship and in turn, the overarching Sino-African relationship. The last comprehensive case study conducted on Sino-Tanzanian relations was published in 1975 by George Yu, with a smaller scale study most recently conducted on economic relations between China and Tanzania in 2008 by H.P.B. Moshi and J.M. Mtui from the Economic Research Bureau in Dar es Salaam, Tanzania (Moshi & Mtui, 2008).

Tanzania and China's long history of strong relations has allowed the Sino-Tanzanian relationship to develop into a symbol of the Sino-African relationship. For example, Tanzania is the location of many historical Sino-African events: the first known Chinese exploration to Africa by Zheng He in 1421; the 1970 Tan-Zam railway, China's largest aid project in the world to date; and the only African

country to receive the 2008 Beijing Olympic Torch. The country is consistently a destination for Chinese officials' visits to Africa and is frequently used as a place for Chinese officials to announce new aid or loan packages to Africa. In addition, partly due to Tanzania's socialist ideology, China and Tanzania's political ideals align very closely, allowing them to form strong political bonds and thus more efficiently collaborate on many economic and social initiatives in Tanzania.

However, the relationship itself is neither a completely unique nor completely universal case in the context of China's individual relationships with other African countries. By studying China's interactions with one African country, in this case Tanzania, scholars will be better able to appreciate the individual complexities of each African country's relationship with China. Rather than develop a generic model with which China's relationship with each African country can be explained, researchers must instead be aware of a range of factors on which Sino-African relations can be fostered and be willing to use country case studies to take a more nuanced approach in analyzing Sino-African patterns of interaction. In this paper, I conclude that, in regards to China's African Policy, China is making progress in Tanzania, but certain barriers may limit both China and Tanzania from fostering a mutually beneficial relationship. While China is considered the initiator of the initial relationship, the Sino-Tanzanian relationship is at a crossroads at which both sides must decide how they want this relationship to progress in the future.

CHINA'S AFRICAN POLICY: THE CASE OF TANZANIA

China's African Policy, last revised in January 2006, addresses a number of factors regarding the Sino-African relationship, including economics, education, health, peace and security, and politics (MFA, 2006a). In addition, China's African Policy (2006a) adheres to the Five Principles of Peaceful Coexistence, "mutual benefit," "common development" and cooperation (MFA, para. 9). In this section, I will examine different facets of China's African Policy through current Sino-Tanzanian interactions. Specifically, I will look at Sino-Tanzanian trade, investment, technology projects, and education collaboration.

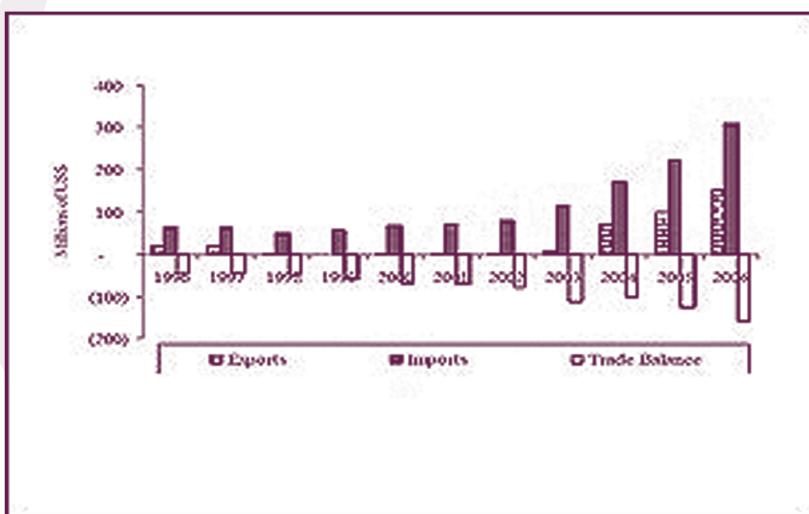
TRADE

The Chinese Government will adopt more effective measures to facilitate African commodities' access to Chinese market and fulfill its promise to grant duty-free treatment to some goods from the least developed African countries, with a view to expanding and balancing bilateral trade and optimizing trade structure. It intends to settle trade disputes and frictions properly through bilateral or multilateral friendly consultation, mutual understanding and mutual accommodation. Efforts will be made to encourage business communities on both sides to set up China-Africa Joint Chamber of Commerce and Industry. When conditions are ripe, China is willing to negotiate Free Trade Agreement (FTA) with African countries and African regional organizations (MFA, 2006a, para. 23).

Since a shift in the 1980's and 1990's from aid partner to trade partner, Sino-Tanzanian trade has exponentially increased. Between 1999 and 2006, the trade balance between Tanzania and China more than tripled (see Figure 1).

The majority of Tanzania's exports are in crude materials except food and fuel. According to China's Ministry of Foreign Affairs (2008), Tanzania's main exports to China include dry seafood, raw leather, timber, copper, and wood handmade crafts (MFA). On the other hand, the majority of Tanzania's imports are in manufactured goods. More specifically, Tanzania's main imports from China are foodstuff, vehicles, textiles, light industrial products, chemical products, mechanical equipment, electric appliances, and steel (MFA, 2008).

Figure 1: 1999-2006 Tanzania-China Trade Balance



Bilateral trade between China and Tanzania averaged US\$70 million from 1996-2002, later growing at an annual average rate of 59% from 2003-2006, reaching US\$474.3 million in 2005 and making up 6.7% of Tanzania's trade volume (Moshi & Mtui, 2008, p. 8; Baregu, 2008, p. 161). This rapid growth trend since 2003 led China to become Tanzania's third largest trading partner in 2005, behind South Africa and the United Kingdom (Moshi & Mtui, 2008, p. 10). However, from 1998-2002, the trade imbalance grew from 46.38% to 78.23%, with Chinese imports to Tanzania far exceeding exports, creating complex economic implications for Tanzanian markets (Baregu, 2008, p. 160). While multiple sources cite trade statistics, very few sources align with each other. Ultimately, the consistent trend and bottom line is that while bilateral trade has continued to increase exponentially in the past decade, the trade imbalance also continues to grow, creating a need for China and Tanzania to further optimize the trade structure to better balance bilateral trade.

In regards to Free Trade Agreements (FTA), China's only proposed FTA currently with an African country is South Africa (Broadman, 2007, p. 174). However, China and

Tanzania have many other ways to support bilateral trade initiatives between the two countries. In 2005, the United Nations Development Programme (UNDP) supported the establishment of the China-Africa Business Council, which supports bilateral trade between a select number of African countries, including Tanzania (Broadman, 2007, p. 175).

In addition, to carry out its African Policy, the Chinese government granted preferential tariffs on 190 commodities for 24 least developed countries (LDCs) in Sub-Saharan Africa, including Tanzania. Officially recognized as an LDC,

Tanzania has benefited from these preferential tariffs, but to what degree is unclear. In a recent meeting between Chinese Minister of Commerce Chen Deming and Tanzanian government officials, Ms. Mary Nagu, the Tanzanian Minister of Industry and Trade, stated that China's recent efforts to expand the sector of Tanzanian exports to China that receive tax exemptions through these preferential tariffs has helped balance bilateral trade (China-Tanzania Economic, 2010, para. 6). In addition, officials from both countries agreed on the importance of signing agreements for the protection of investments and exemption of dual taxation, which would, according to Chen Deming, create benefits such as increased local job opportunities from expanded Chinese investment (China-Tanzania Economic, 2010, para. 4).

However, according to Harry Broadman (2007), it is still too early to assess the full effect of this preferential treatment (p. 170). In addition, in 2004, African LDCs only exported products in 72 of the 190 categories included in these preferential tariffs. While China has plans to continue to reduce tariffs, tariff escalation on products not included in the preferential treatment list has, in some cases, discouraged the export of higher value-added processed products from Africa (Broadman, 2007, p. 180).

While Tanzanian exports and imports are relatively insignificant for China, for Tanzania, trade with China has become a good way for Tanzania to diversify its trade patterns. Exports to China from 1996-2002 averaged only 2% of Tanzania's total exports, but grew to an average of 11% from 2003-2006 (Moshi & Mtui, 2007, p. 15). Similarly, imports from China rose from 13% from 1996-2002 to 18% from 2003-2006 (p. 15).

In regards to Sino-Tanzanian trade, China certainly seems to be making an effort to abide by its African Policy in Tanzania. While increasing trade shows the strong commitment of a development partner, China must be careful not to cannibalize Tanzanian markets with its exports to Tanzania and ensure that it enacts policies and trade regulations that foster mutual economic growth. In addition, carefully selected preferential tariffs could be an opportunity to create more balanced bilateral trade. Harry Broadman (2007) suggests that establishing more FTAs and economic partnership agreements (EPAs) would create more opportunities to foster economic development in Africa (p. 174). In addition, because African countries tend to welcome Chinese investment more than Chinese manufactured goods, China could consider an FTA that incorporates investments and services trade, such as financial services and tourism (Broadman, 2007, p. 174). With the rise in joint support groups, such as the China-Africa Business Council, Tanzania may be ready to foster this new kind of trade, especially in the tourism industry, which accounts for 16% of Tanzania's gross national product (GNP) ("Tanzania Develops," 2006, para. 2). Finally, finding ways to encourage Tanzanian export of value-added manufactured goods will help Tanzania's economy become more sustainable in the long-term.

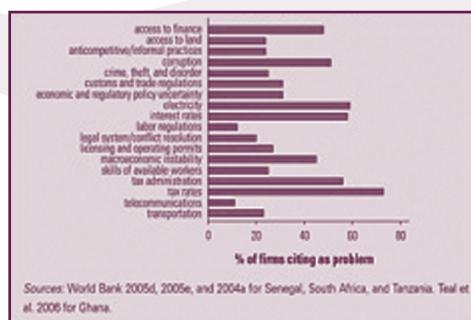
INVESTMENT

The Chinese Government encourages and supports Chinese enterprises' investment and business in Africa, and will continue to provide preferential loans and buyer credits to this end. The Chinese Government is ready to explore new channels and new ways for promoting investment cooperation with African countries, and will continue to formulate and improve relevant policies, provide

guidance and service and offer convenience. African countries are welcome to make investment in China. The Chinese Government will continue to negotiate, conclude and implement the Agreement on Bilateral Facilitation and Protection of Investment and the Agreement on Avoidance of Double Taxation with African Countries. The two sides should work together to create a favorable environment for investment and cooperation and protect the legitimate rights and interests of investors from both sides. (MFA, 2006a, para. 24).

In Tanzania, Chinese investments have followed the trend towards increasing investment seen across Africa. In 1996 alone, Chinese companies were operating 134 investment and development projects in Tanzania, with an estimated value worth over US\$800 million (Baregu, 2008, p. 158). From 1990-2006, Chinese companies made 174 investment deals worth US\$450 million, ranging from telecommunications and tourism to road-building but focused mainly on manufacturing (McGregor, 2009, para. 8; Tanzanian Investment Centre, 2006, p. 66). China's investment initiatives are also estimated to have created over 50,000 jobs (Philemon, 2008, para. 6). In addition, by the end of 2006, more than 140 Chinese-companies were registered in Tanzania (Moshi & Mtui, 2008, p. 11). Tanzanian Investment Centre records show that in 2007 alone, China invested US\$3 billion in ten African economies, of which US\$111 million was invested in Tanzania, almost a quarter of the cumulative investment from the past fifteen years (Kamndaya, 2010, para. 15).

Figure 1: 1999-2006 Tanzania-China Trade Balance



Source: Moshi H., and Mtui, J. (2008). Scoping studies on China-Africa economic relations: The case of Tanzania. Dar es Salaam: Economic Research Bureau.

In an effort to provide its pledged US\$10 billion low-cost lending to Africa between 2010 and 2013, China pledged to give Tanzania US\$180 million in concessional loans ("China gives Tanzania," 2010, para. 1). In addition, bilateral investment treaties, such as the 12 treaties Tanzania currently has with China, enactment of Double Taxation Treaties, and simplification of FDI regulations in Tanzania will encourage FDI flows in the future (Broadman, 2007). However, issues such as tax rates, interest rates, access to finance, electricity, and corruption were all cited as constraints to the investment climate by firms in Tanzania (see Figure 2), despite the fact that interest rates, tax rates, and cost of electricity were comparable to that of other developing countries. While the cost of electricity is not extraordinarily high, electricity outages account for 6-13% loss of revenues, depending on the size of the firm, creating a worse business situation than in other countries (Broadman, 2007, p. 219). In addition, compared to Senegal, South Africa, and Ghana, Tanzania also has the most overall telephone service interruption and least proportion of firms with

internet access, creating significant barriers to success in the global business world (Broadman, 2007).

Since Tanzania receives less than 5% of China's FDI outflows to Africa and is only the 15th largest recipient of these outflows, China and Tanzania could collaborate more to create a more attractive investment climate (Broadman, 2007). Solving problems such as internet access and electricity outages would not only create a more attractive investment climate for all countries, but also improve the overall welfare of Tanzanian society through technological improvements. However, on the list of the top ten source countries of FDI in Tanzania, China falls eighth, which begs the question: why should China be responsible for solving these problems and creating a better investment climate for all foreign investors? While this question is answered more in-depth below in the section on technology, for China, improving Tanzania's technology is attractive because it will allow China to truly help Tanzania while also giving business opportunities to Chinese technology companies and displaying its technological skills to the rest of the world.

For Tanzania, according to Harry Broadman (2007), the challenge with Chinese investment is to create an environment in which China can invest in value-added commodities rather than exploiting natural resources, thus giving Tanzania more opportunities for sustained economic development (p. 103). In addition, another opportunity to create a more mutually beneficial partnership is to encourage Tanzanian FDI in China. Currently, Mauritius, South Africa, and Nigeria are the three main African countries with growing FDI to China, but the emerging trend of African FDI in China could be an effective way for Tanzania to further diversify its economic initiatives.

Another aspect in which China and Tanzania could create mutually beneficial investment projects is in joint-ventures. Sino-Tanzanian joint venture cooperation began in the 1960's with the Tanzania-Zambia Railway and has been rapidly increasing in recent years (Moshi & Mtui, 2007, p. 11). Currently, Tanzania has eight joint ventures with China (MFA, 2003, para. 9). According to the Ministry of Foreign Affairs for the PRC (2003), the Tanzania-China Friendship Textile Corporate Ltd, reorganized using the interest-subsidized preferential credit provided by the Chinese government, merges Tanzanian expertise of local markets and is a successful example of a mutually beneficial joint venture (para. 9). However, the success of this particular venture is debated (see section on *textiles* below). In another example, which has seen more success than that of the textile mill, the Sino-Tanzanian Joint Shipping Company (50% holding for both China and Tanzania) has achieved capital of TZS 17.2 billion (approximately US\$ 15.5 million). Other examples of Sino-Tanzanian joint ventures include the Mubarali Rice Farm, Kiwira Coal Mine, and Mahonda Sugar Cane Factory. However, information about these joint ventures is limited.

Deborah Brautigam (2010) identifies three objectives for Sino-African joint ventures: 1) produce for local need, supported by local resources through small and medium-sized production projects; 2) increase demand for Chinese equipment and machinery; 3) involve "mature" technologies that China is outgrowing (p. 197). Brautigam (2010) also suggests that the success of two factors will determine the success of joint ventures: 1) whether Chinese investment "catalyzes local industry" and 2) employment of local workers (p. 224).

In Tanzania, eight or nine Tanzanians are employed for every one Chinese employee (as cited in Brautigam, 2010, p. 156). While specific statistics on local employment specifically in Sino-Tanzanian joint ventures are unavailable, the

strict regulations on Tanzanian government foreign work permits would suggest that the statistic would be similar for joint ventures. Since work permits for foreigners are hard to acquire in Tanzania, many Chinese entrepreneurs enter Tanzania as "industrial investors," which is attractive because the status allows Chinese entrepreneurs to obtain up to five work permits for Chinese nationals (Brautigam, 2010, p. 225).

In addition, funding for joint ventures often comes in the form of aid or loans, and is focused on buying local products. In 1995, an aid fund for equity joint ventures was created and operated by the Chinese Ministry of Commerce. In the same year, China Eximbank created a concessional loan fund for equity joint ventures. Joint ventures that produce local products are attractive partly because the Tanzanian government will give price preferences for products made locally with local inputs (Brautigam, 2010, p. 72).

While various Chinese entities have majority control over the financial cash flow in many joint venture situations, China seems to be striving for a win-win situation. Many Sino-African joint venture manufacturing value chains are using Chinese equipment and processing Africa's natural resources in Africa, allowing Africa to ultimately export a manufactured good (Brautigam, 2010, p. 223). In Tanzania, a third of Chinese manufacturing investments that were approved by the Tanzania Investment Commission were a part of Sino-Tanzanian joint ventures, in which Tanzanians held an average of 31% of the shares. In addition, employing local Tanzanians through a joint venture allows Chinese entrepreneurs to mitigate the risks of entering the market as a foreign company by gaining access to local market knowledge.

At a roundtable discussion in February (2010), Ernest Aryeetey, Director of the Africa Growth Initiative, stated that joint ventures level the playing field by creating a mutual partnership rather than an investor-investee relationship. In addition, joint ventures can help eliminate the competition from Chinese firms that is wiping out local industries, such as the textile industry in Tanzania. Many African contractors have decided to establish joint ventures with Chinese contractors rather than compete against them (Broadman, 2007, p. 213). In contrast to the NGOs and other training programs that work with capacity and skills building, joint ventures could provide an alternative opportunity through which Tanzanians can gain first-hand experience in developing both technical expertise and business skills.

TECHNOLOGY

Following the principles of mutual respect, complementarity and sharing benefits, China will promote its cooperation with Africa in the fields of applied research, technological development and transfer, speed up scientific and technological cooperation in the fields of common interest, such as bio-agriculture, solar energy utilization, geological survey, mining and R&D of new medicines. It will continue its training programs in applied technologies for African countries, carry out demonstration programs of technical assistance, and actively help disseminate and utilize Chinese scientific and technological achievements and advanced technologies applicable in Africa. (MFA, 2006a, para. 34).

In general, a lack of resources in developing countries creates a need for innovative technologies that help solve problems facing developing countries. As the world's largest developing country itself, China is currently leading the world

in developing affordable clean energy (Bradsher, 2010). China's involvement with Tanzania gives China a platform for introducing new technologies and encouraging development in, for example, Tanzania's telecommunications sector. In a speech at the Opening Ceremony of the Core Network Live Tour of Huawei Technologies (2009) by Fu Jujin, Deputy Head and Political Counselor of the Chinese Embassy in Tanzania, Jujin explains how Huawei has helped Tanzania improve its communication service, partially through large investments in human resources and R&D capacity (para. 4). Jujin also acknowledges that some of the technologies and materials used by Huawei in Tanzania are not yet even widely used in China (para. 4).

In addition, the Chinese government agreed to provide a US\$70 million soft loan to Tanzania to build the first phase of the ICT Fiber Backbone Project, a project with goals for "Tanzania to have a universally accessible ICT backbone and ICT solutions that enhance sustainable socio-economic development and accelerated poverty reduction nationally" and will allow Tanzania to "become a hub of ICT backbone regionally and be a full participant in the global information society" (Jujin, 2009, para. 4; Pazi et al., 2010, p. 218).

Technology also shows up in China's African Policy in other capacities and carries implications across segments. For example, China's policy on the environment states that it will protect the environment using technology. In addition, in the discussion on trade above, technological improvements could improve the overall investment climate and give Tanzania greater access to global markets. From a long-term point of view, based on the current technological climate in Tanzania, I would argue that basic technology advancements that allow Tanzania to access global markets and improve domestic communication are a priority. Not only will technological improvements benefit businesses and society in the short term, but the younger generation can also learn to use these new technologies to improve the overall long-term sustainability of communication across the country. One way in which China could both engage Tanzanians, implement new technologies, and still protect its own economic interests would be to create an innovation center where Tanzanian and Chinese students could work together with technology experts to create, implement, and maintain technological improvements in Tanzania. Through this system, China and Tanzania can foster their relationship and also promote the interests of both countries.

EDUCATION

The Chinese Government will give full play to the role of its "African Human Resources Development Foundation" in training African personnel. It will identify priority areas, expand areas of cooperation and provide more input according to the needs of African countries so as to achieve greater results.

Exchange of students between China and Africa will continue. China will increase the number of government scholarships as it sees fit, continue to send teachers to help African countries in Chinese language teaching and carry out educational assistance projects to help develop Africa's weak disciplines. It intends to strengthen cooperation in such fields as vocational education and distance learning while encouraging exchanges and cooperation between educational and academic institutions of both sides. (MFA, 2006a, para. 33).

Some of the earliest education aid to Tanzania was in the 1960's, during an attempt to transfer skills to thousands of Zambian and Tanzanian workers and

supervisors who were working on the Tan-Zam Railway (King, 2006, p. 4). While the railway was successfully completed, Africans and Chinese alike had doubts about the sustainability of the skills trainings and thus maintainability of the railway (p. 4).

The education objectives laid out in the 2007-2009 Forum on China-Africa Cooperation (FOCAC) Beijing Action Plan, in contrast to the original policy, are as follows:

Help African countries set up 100 rural schools in the next three years

Increase the number of Chinese government scholarships to African students from the current 2,000 per year to 4,000 per year by 2009

Provide annual training for a number of educational officials as well as heads and leading teachers of universities, primary, secondary and vocational schools in Africa

Establish Confucius Institutes in African countries to meet their needs in the teaching of the Chinese language and encourage the teaching of African languages in relevant Chinese universities and colleges (MFA, 2006b, sec. 5.4.4)

In a 2009 interview with Liu Xinsheng, the Chinese Ambassador to Tanzania, Xinsheng stated that 68 Tanzanian students received scholarships to study in China in 2009 and that the Chinese government will offer 100 scholarships each year for the next three years for Tanzanian youth to study in China (para. 40). The government will also provide short-term training for teachers and build rural schools. While it's unclear how much of the additional educational initiatives laid out in the 2010-2012 FOCAC document will be allotted to Tanzania, this plan adds clarity and specific commitments compared to China's 2006 African Policy. In addition, this puts pressure on China to follow through on its promises, as these promises will be reviewed at the next FOCAC in 2012.

While these specific goals are a great step towards contributing to educational improvements in Africa, these goals also raise some questions. For example, will school-building efforts be concentrated in rural or urban schools? Will they be primary, secondary, or vocational schools? How will these schools be chosen? I would suggest that the optimal way to improve education would be to spread its non-infrastructure related educational commitments across Africa but concentrate major infrastructure efforts in one country and then use that model to scale education projects around Africa. For example, sending aid in the form of teachers and scholarships could be spread across countries, but perhaps China's commitment to build 100 schools could start in one country and represent the beginnings of a larger plan to improve access to education in Africa. Kenneth King (2006) agrees, stating, "almost certainly what should not be done [in regards to China's 100 schools commitment] is carefully select two sites per African country where model schools can be constructed and where a Chinese plaque or flag can identify its aid origins" (p. 11). King goes on to admit that this would not be representative of China's former educational initiatives, citing a successful Chinese 900 schools project in Chile, where Chilean schools competed to ask for assistance to improve the quality of education (as cited in King, 2006, p. 11). With this clear evidence of former successes in educational improvements, China should continue to use this model for its educational cooperation in Africa.

In regards to Tanzania, China should continue to support Tanzania in various ways, including giving scholarships, training teachers, and constructing schools. For example, in 2000, China provided the Dar es Salaam Institute of Technology with two micro-computer teachers to train Tanzanian lecturers and students about micro-computers and opportunities for micro-computer

development in Tanzania (Embassy of the PRC, 2008, para. 1). However, in addition to the plans that are developed and assessed every three years, China should collaborate with Tanzania to create some sort of long-term impact goal for its education initiatives, such as improving test scores, literacy, or access to schools. Measuring impact may require that China start to focus its education related efforts in specific communities in Tanzania. In addition, it will need to work closely with Tanzanian government officials and other existing NGO's to learn the specific nuances of Tanzania's education systems. For example, perhaps China could consider incorporating performance based pay incentives for teachers in some of their schools in place of some teaching materials. In a recent study conducted in India, extra [performance based] pay was three times more effective in boosting student test scores than spending the same money on teaching materials ("Reaching the Poorest," 2010, para. 9). I am not suggesting China should solve Tanzania's education problems, but rather that it should first create a successful model and also work more closely with the Tanzanian government to identify Tanzania's specific education needs. For example, while China's commitment to building rural schools should not be underestimated, Tanzania may have other educational needs where China's resources would make more of an impact.

From Tanzania's side, the Tanzanian Ministry of Education must do more to suggest areas in which China could assist. In addition, Tanzania should continue to welcome Chinese students to Tanzanian universities as well as find creative ways to teach Swahili and provide Tanzanian cultural education to Chinese expats and their children. For example, in 2006, the Tanzanian government offered China five scholarships and in 2007, four scholarships for Chinese students to study in Tanzania (Embassy of the PRC, 2008, para. 1). These measures will encourage both cultural awareness and also help Chinese expats in Tanzania feel more assimilated and will also allow them to better understand Tanzania's language and culture.

Chinese and Tanzanian universities should also start to develop African Studies and Asian Studies departments, respectively, so that students who wish to become involved in these fields, whether through policy, development, business, etc., can understand the relationship more fully. Beijing University is ahead of other universities in China with the founding of its Institute of Afro-Asian Studies in 1964, the same year that the United Republic of Tanzania was established (www.sis.pku.edu.cn/english/Dept3.htm). Other programs are fairly recent, all established in the past decade. Zhejiang Normal University in Zhejiang, China, created its Center for African Education Studies in 2003, the first academic unit in China specializing in the research of African education (Mei, 2007, p.3). Hong Kong University also boasts a Programme of African Studies, which offers a minor in African Studies and was initiated in the 2008-2009 school year (www.hku.hk/scoh/AfricanStudies/). The University of St. Joseph in Macau recently established the Center for African Research and Development Studies on May 25th, 2009 (www.usj.edu.mo/?content_left&col=3&id=59). A search of Tanzanian universities did not yield any results for Asian Studies departments.

One initiative that predated China's African Policy in the field of educational cooperation was the Sino-African Education Minister Forum held in Beijing in November 2005. This meeting brought together African ministers of education from seventeen countries, including Tanzania (King, 2006, p. 6). The aim was to understand the full extent of past Sino-African educational cooperation. For example, between 1976 and 2001, China dispatched eleven teachers to Tanzania (p. 25). However, Kenneth King (2006) notes that the meeting emphasized

vocational and technical education as well as higher education rather than basic education (p. 6). The minister forum did result in goals for improving the education cooperation in the future, but this meeting was the first and last major gathering of African and Chinese education officials. In addition, while the FOCAC has created education related goals, China and Africa (and Tanzania) should hold regular meetings with the ministers of education every three to five years to discuss policies, create education collaboration opportunities, and analyze and reassess the impact its current initiatives have made. These meetings could go hand in hand with the triennial FOCAC and would provide a forum for ministers, researchers, and students to discuss long-term strategies for education improvement in both China and Africa. More regular meetings about education will show the world that China and Africa are committed to putting education in the forefront and will also give African countries more opportunity to participate in shaping Sino-African education cooperation initiatives. While China and Tanzania each has its own education systems, this meeting could provide an opportunity for both countries to learn from other countries' successes and failures so it can find the best way to not only collaborate with each other in a productive manner, but also to achieve its own domestic education goals.

BARRIERS TO SUCCESS

In this section, I identify barriers that could prevent the Sino-Tanzanian relationship from reaching its potential. While Tanzania and China both have their own domestic issues that could prevent successful foreign relations, such as insufficient access to power, water, and telecommunications, I focus on examples and issues that are specific to the Sino-African and Sino-Tanzanian relationship. I will specifically examine the problem of corruption, Chinese counterfeit goods in Tanzania, Chinese cannibalization of the Tanzanian textiles market, local Tanzanian employment, and social interactions between Chinese and Tanzanians on the ground.

THE PROBLEM OF CORRUPTION

While corruption occurs in every country, it has become a hot topic in terms of Sino-Tanzanian economic interaction. Both Tanzania and China are known in their own circles for problems with corruption, whether politically, economically, etc. In Tanzania, for example, imports and exports go through several bureaucratic processes, which lend themselves to problems such as underinvoiced imports and smuggling (Broadman, 2007, p. 259). Firms have also reported that when picking up goods at the port, they are required to pay an informal fee. I had a similar experience when I went to pick up a package at the main post office in Arusha, Tanzania. The employee informed me and my Tanzanian friend that all packages were charged 50% of the value of the goods in the package. Only after a long wait and multiple attempts to reduce this informal tax was I able to reduce the fee from US\$150 to US\$25. In terms of overall economic growth for both domestic and foreign firms, removing unnecessary bureaucratic processes can reduce corruption, increase productivity, and encourage investment in infrastructure (Broadman, 2007, p. 259).

These types of domestic corruption issues have serious implications for Sino-Tanzanian economic interaction as well. Since both countries have their

own reputation for corruption, what happens when the two countries start interacting together? While neither country officially condones bribery, the issue of corruption on the local level is not considered unacceptable. Thus, China is not making corruption worse, but is definitely not making it better. Deborah Brautigam (2010) identifies three categories in which Chinese corruption in Africa could fall: 1) China may tempt embezzlement by sending large sums of money directly from China; 2) Chinese firms may win contracts away from honest companies by cheating; and 3) Chinese firms may attract African countries away from other financiers with stricter regulations with no strings attached economic initiatives, thus stopping "hard-won gains in fighting corruption" (p. 293).

While corruption can happen in regards to any form of economic interaction, aid is most often criticized for its vulnerability to corruption. In regards to aid, African leaders are especially attracted by China's assistance because, in contrast to Western aid, Chinese assistance comes with no strings attached (Le Pere, 2008, p. 27). The one condition for receiving assistance is that the African countries align with the "One China" policy, and sever all ties with Taiwan. Currently, only four African countries (Swaziland, Burkina Faso, The Gambia, and Sao Tome and Principe) maintain ties with Taiwan, with Malawi switching over most recently and adopting the "One China" policy on December 28, 2007 ("China, Malawi establish," 2008). While aid numbers are hard to compile since neither China nor Tanzania fully records all aid projects, China has a long history of providing aid to Tanzania in the form of loans and development projects.

In contrast to the stereotype that Chinese aid goes directly into the pockets of politicians, China tries to knit aid into other forms of economic engagement. For example, infrastructure, such as the 1969 Tan-Zam railway, and more recently, plans for construction of a cardiac surgery treatment and training center in Dar es Salaam are all part of China's aid program (Fangqing, 2009, para. 1). In contrast to other countries in Europe and North America providing aid to Tanzania, China's infrastructure related aid projects are finished more quickly at lower cost (Brautigam, 2010, p. 133). To increase stimulus of the local economy, Tanzanian companies can advocate for contracts in which a certain percentage of subcontractors must be Tanzanian. However, both China and Tanzania must be aware of the increasing potential for corruption in this type of situation, in which "unqualified local companies headed by people with political connections" may be chosen as subcontractors (Brautigam, 2010, p. 153).

A way for China to prevent corruption is to continue its pattern of packaging aid projects with other economic initiatives, which prevents money from going directly to the Tanzanian government, but rather invests it directly into the project. In addition, Chinese companies should directly fund their projects rather than sending development money through the government, thereby reducing opportunities for corruption. While both countries should come to joint consensus on what initiatives should be funded, this type of project-based financial commitment rather than price-based commitment should be further pursued to prevent too many groups from gaining access to this money and reduce the risk of corruption.

COUNTERFEIT GOODS

While many Chinese work at multi-national companies in Tanzania, others are managers of small grocery stores or owned small shops in markets, specifically

in Kariakoo Market, a large market district in downtown Dar es Salaam. Chinese in Kariakoo Market sell goods such as flowers, cell phones, garments, electronics, etc., creating fierce competition with local Tanzanian shops (personal communication, August 18, 2009). According to Tanzanian shop owner Rogers Nafter (2010), Tanzania, and especially the port of Dar es Salaam, has garnered an international reputation as a dumping ground for fake merchandise, most of it Chinese-made (as cited in "Tanzania pays price," 2010). Counterfeeters try to make money off of the developing world, a region which is struggling to shut them down (as cited in "Tanzania pays price," 2010). With World Bank estimates of Tanzanian GNI per capita in 2008 reaching only US\$440 (n.d.), Tanzanians purchase goods of lesser price, regardless of quality ("Key development data"). In addition, counterfeit products, which include clothing, shoes, and even anti-malarial pharmaceuticals, results in a loss of 140,000 local jobs and leaves local businesses unable to compete ("Tanzania pays price," 2010).

According to an April 2008 study by the Confederation of Tanzania Industries, approximately 20% of merchandise in Tanzania is counterfeit or pirated (as cited in McGregor, 2009, para. 15). In addition, the majority of these goods, which include clothing, cell phones, and spare car parts, are manufactured in China (McGregor, 2009, para. 15). In another example, the Confederation of Tanzania Industries cited fatal electrical fires in Dar es Salaam in October 2007, which were caused by counterfeit electrical equipment from China and spurred a crackdown on counterfeit goods (as cited in Barclay, 2008, para. 5).

During my stay in Arusha, I once went with a friend to purchase a surge protector, which opened a dialogue with him on the quality of Chinese imports and the large presence of counterfeit goods made in China. My friend explained to me that it was better to purchase a surge protector made in Britain because it was harder to tell whether the ones made in China were real or fake (personal communication, August 2, 2009). While lower class Tanzanians would probably not have the luxury of choosing a product based on quality, middle class Tanzanians, such as my friend, often purchase British made goods, which are often a little more expensive, but longer-lasting and more reliable.

These examples create a negative stereotype of Chinese goods and also interfere with fragile domestic markets. For example, one Congolese woman characterized her general outlook on the Chinese presence, stating: "The Chinese medicines are making people sick, and the electrical wires are not safe, but China is giving the African people a chance to do business and make more money, and for some people that means being able to buy food to eat" (as cited in Barclay, 2008, para. 6). This outlook on the Chinese presence in Tanzania as the 'lesser of two evils' is an attitude that is becoming increasingly popular among Tanzanians. As a development partner with long-term commitments in Tanzania, China should work to eliminate the above type of attitude and focus instead on a way to create a sustained presence in Tanzania. While counterfeit goods are hard to regulate and government policies are sometimes hard to enforce, Deborah Brautigam (2010) suggests that with proper policy making, strategic import substitution that also promotes exports will emerge (p. 231).

CANNIBALIZATION OF THE TANZANIAN TEXTILES INDUSTRY

China has, ironically, played a part in both the rise and fall of the Tanzanian textile industry. As China has recently increased its exports of cheap garments

to Tanzania amidst a growing second-hand clothing market, the Sino-Tanzanian Friendship Textile Factory (now called Urafiki), which Chinese aid, in an amount upwards of US\$5.5 million (51%), originally supported in 1996 as a catalyst to help develop the once-thriving Tanzanian textile industry, is struggling (Brautigam, 2010, p. 199; McGregor, 2009, para. 6).

Tanzania once had over fifteen textile factories that used locally grown cotton as their major raw material (Ngaluma, 2007, para. 2). The Tanzanian textiles industry also contributed to the employment of semi-skilled labor as well as a large part of the country's manufacturing GDP (para. 3). However, in 1986, trade liberalization abolished import controls, which resulted in a flood of imports of textiles and garments from Asia, which were of better quality and price than locally produced textiles and garments (Ngaluma, 2007, para. 5). Consequently, According to local Tanzanians, the textiles industry in Tanzania and Africa on the whole is facing extreme problems in the wake of increasing textile imports from China as well as the dumping of used clothing from Western countries (personal communication, August 2, 2009). Because of this increasing trend, many Tanzanians have adopted a nationalist (or "continentalist") attitude towards buying textiles, when possible (personal communication, August 2, 2009).

In order to promote the Tanzanian textile industry, officials need to create a better regulatory framework and address issues with access to finance and favorable fiscal and industrial policies (Ngaluma, 2007, para. 33). In addition, evidence of Chinese-imposed, voluntary textile export quotas to South Africa show China's willingness to create mutual benefit and "marks a significant departure from classic relations of dependency" (Rupp, 2008, p. 69). With Tanzanian's increasingly negative view of Chinese interaction in the textile industry and Chinese competition in other industries, perhaps China could consider following in the footsteps of its voluntary textile export quotas in South Africa to promote a more mutually beneficial and developmental partnership in Tanzania.

LOCAL TANZANIAN EMPLOYMENT

While one objective of Chinese economic stimulation is to create local employment opportunities to reduce unemployment, a greater concern is to prevent dependency that could occur from a lack of capacity building and skills transfer. Even though some studies cite 70% employment of Chinese workers, this trend is quickly changing not only to stimulate local employment opportunities but also because it is becoming too expensive for Chinese companies to employ Chinese laborers unless they have a critical skill (Rocha, 2007, p. 25). In fact, a comparative study of Chinese construction firms in four African countries showed that the Chinese labor ratio in some cases made up as little as 20% of a company's labor force (cited in Alden, 2007, p. 46). Countries such as Angola and the Democratic Republic of Congo (DRC) require that all employers have 70% Angolan workers and at least 80% DRC employees in construction and infrastructure related companies (Brautigam, 2010, p. 157).

In Tanzania, a study conducted by South Africa's Center for Chinese Studies found that eight or nine Tanzanians were employed for every one Chinese employee (as cited in Brautigam, 2010, p. 156). Chinese are usually brought in if there is pressure to complete a job quickly or if there is a shortage of skills locally. In addition, according to Liu Yulin, the Chinese economic counselor in Tanzania, with the Tanzanian government becoming stricter on foreign work

permits and rising costs in recruiting Chinese workers, localization makes good sense for both China and Tanzania (as cited in Brautigam, 2010, p. 157).

For example, while in Arusha I saw quite a few construction projects that were contracted by Chinese companies. The construction workers, however, were not Chinese. One employee of a large construction supply company in Arusha, said that while most of the workers working on the construction projects were not Chinese, many Chinese were the project managers of large construction projects (personal communication, August 5, 2009).

In addition, while in Dar es Salaam, I visited a large Chinese state-run construction company and met with an employee and recent graduate of a Beijing University. His job was to facilitate the transition for employees moving from China to Tanzania and for those moving back to China (personal communication, August 18, 2009). While his company also works in Saudi Arabia and Nigeria, the employee said that it is commonly known among Chinese in the area that now is a good time to invest in Tanzania. In addition, while many Chinese only come on assignment for a couple of years, he had already completed one year in Tanzania and was planning to stay for at least four more years (personal communication, August 18, 2009). From a business perspective, the employee told me that most of the core jobs, such as in engineering and construction, in the Tanzanian offices are held by Tanzanians because they can make smarter business decisions based on their knowledge of the local markets (personal communication, August 18, 2009). Chinese employees like himself were typically hired for administrative purposes; for example, to order materials, prepare visa applications, prepare employment documents for Chinese employees, etc (personal communication, August 18, 2009).

While a lack of local employment in Tanzania does not seem to be a major problem, anecdotal evidence always brings up situations in which employers mistreat or discriminate against its employees and favor hiring of Chinese workers. Thus, to prevent future complaints about local employment tactics, China and Tanzania should continue to regulate employment situations and regularly measure local employment to ensure that company and government rules are actively practiced.

SOCIAL INTERACTION BETWEEN CHINESE AND TANZANIANS

As the Sino-Tanzanian relationship becomes more complex, the relationship "will increasingly be determined not by government declarations and deal-making between elites but rather through the experiences of individual Chinese and Africans in all walks of life" (Alden, 2007, p. 6). For Tanzania especially, bilateral cultural exchange on a local level is one area in which it can ensure a more balanced South-South cooperation than the donor-receiver relationship that is evolving in other aspects of Sino-Tanzanian interaction. Thus, it is increasingly important that Chinese and Tanzanians are able to foster a positive relationship on the ground.

While an increasing number of Chinese are moving to Tanzania, patterns of social interaction are very distant. Even though Chinese tend to live frugally and in dwellings similar to their Tanzanian counterparts, they often live in complexes with other Chinese and do not often socialize outside of work with Tanzanians. In addition, some companies ban or disapprove of employee relations with local Africans (Michel & Beuret, 2009). I contend that these patterns of separation

between local populations will hurt the long-term success of the Sino-African and Sino-Tanzanian relationship. While both China and Tanzania's governments maintain increasingly strong relations, the true success of the relationship will come from the relationships built on the ground.

Currently, however, Chinese and Tanzanians do not mingle very often in social settings. In the streets of Kariakoo Market in Dar es Salaam, I met a Chinese manager of a local supermarket. He moved to Dar es Salaam from Zhejiang Province in China because he believed he could make more money in Dar than he could in China. The manager planned to move back to China in a year to work in another business. He also explained that while he worked in the heart of Dar es Salaam, he did not frequently mingle or socialize with Tanzanians, mostly because he had only limited knowledge of Swahili and thus could not communicate very well (personal communication, August 18, 2009). He instead socialized with the Chinese ex-pat population, which was a tight-knit community, many of whom were from Zhejiang Province as well.

While the manager did not know exactly what factors influenced populations from certain Chinese cities to move to the same African city, he knew of other cities in Africa with similar high concentrations of immigrants from specific regions in China. According to Emmanuel Ma Mung Kuang (2008), Zhejiang Province is one of three main departure zones in China, where migratory pressures are strong (p. 645). In addition, Ma Mung Kuang observes that while many Chinese return to China after fulfilling labor contracts in Africa, some African countries, such as Mali and Tanzania, lend themselves well to entrepreneurial initiatives and thus retain many Chinese employees looking for an opportunity to make money (p. 648). These two factors combined may help explain the large number of Zhejiang immigrants in Tanzania.

A smaller and yet frequently ignored dynamic is the growing population of African traders and immigrants in China. Very little data is available on Tanzanians living in China, as the only relevant hit in a Google Search was a network for Tanzanians living in China, of which only three people were a member (<http://babkubwa.ning.com/group/tanzaniansinchina>). Guangzhou, a manufacturing hub in China, is seeing an increase in African immigrants, especially from Congo, Nigeria, and Mali ("Largest number of Africans," 2009, para. 12). However, while Africans from all countries seem to bond over African music and dancing, they don't often socialize with the Chinese, creating a gap in mutual cultural understanding ("Largest number of Africans," 2009, para. 14; Barclay, 2008, para. 7).

While these patterns of interaction are not unusual for immigrant groups, companies and government officials should work to encourage integration among the Chinese and Africans in both China and Africa (or Tanzania as the case may be) to foster a better mutual understanding of each others' cultures. In addition, companies and government entities could place special emphasis on cultural awareness and integration in the areas where immigration and emigration numbers are higher, such as Zhejiang Province, Guangzhou or Dar es Salaam, an increasingly popular destination Chinese companies and immigrants. As the Sino-Tanzanian relationship is becoming more based on the actual experience of Tanzanians and Chinese, only through an in-depth cultural understanding between Chinese and Tanzanians will the Sino-Tanzanian relationship be able to achieve long-term success.

CONCLUSION

While China's modern relationship with Africa goes back decades, an exponential increase in the Chinese presence in Africa since 2000 "means that the solidified Sino-African relationship is still at an early stage" and "the repercussions...have yet to be ascertained" (Taylor, 2009, p. 3). This relationship will continue to evolve, as generous yet ambiguous statements of intent are replaced with real-life experience on Chinese projects in Africa (Alden, 2007, p. 127). Overall, China's interaction with Tanzania seems to follow the basic model and guidelines laid out by China's African Policy, but both parties must take advantage of new opportunities and initiatives as well as enact measures to mitigate potential barriers to success. Aspects of trade, investment, technology, and education all hold opportunities for improvement and development. In addition, as in the case of the education objectives, improvements made every three years at the FOCAC will improve the effectiveness of the goals outlined in the original African Policy.

As Ernest Aryeetey stated (2010), Africa needs to use this opportunity of increased Sino-African interaction to engage more with China and create a more balanced relationship (roundtable discussion). However, as an incredibly diverse continent made up of fifty four countries with complex political and economic situations, it is hard for Africa to be united in its pursuit of foreign relations with China. In addition, while it may seem that Africa does not have enough to offer to create a more balanced relationship, I would argue that every country has its own ability to contribute to its relationship with China. The burden is now on African countries to identify these opportunities that will allow each country and Africa collectively to contribute to the Sino-African relationship (Anshan, 2009, para. 4).

As a symbol of Sino-Tanzanian relations in both Africa and China, Tanzania has an incredible opportunity to take the lead in forging a more two-sided relationship and becoming an example of true mutually beneficial collaboration in practice. With the strong relationship between the Chinese and Tanzanian governments and increasing research and awareness of Sino-Tanzanian interaction, Tanzania should create a coalition for Sino-Tanzanian interaction and serve as an example for other African countries to follow in its footsteps.

Proponents and critics alike must recognize the Sino-Tanzanian and the Sino-African relationships as they currently stand, without exaggerating China's role and yet recognizing that these relationships are lasting and dynamic. In the words of a Chinese diplomat, "the 'all-weather' friendship between China and Tanzania has withstood the tests of both international and domestic situation changes" ("Interview: China-Tanzania cooperation," 2009, para. 1). China and Tanzania's sustained long-term relationship will prove beneficial in implementing new initiatives that are based on the policies set forth in China's African Policy and other agreements. I hope that this paper has opened discussion on the crossroads that China, Tanzania, and Africa have currently reached, and provides realistic insight to short term and long term options moving forward.

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